

economically, it costs the taxpayers, because we are paying the NLRB attorneys, and it ruins the reputation of good, hard-working Americans who have invested their lives in building businesses. I can't think of anything more tragic than to spend your life building a business—spending 30 years out there starting as a mom-and-pop operation and gradually adding employees, providing a good place of employment for workers—and then, through this pernicious tactic, see your business destroyed and have to close your doors, to see those jobs lost, and to say that somehow this is antiworker.

I will tell you what is antiworker. It is those who would use that kind of an unconscionable tactic to destroy the economic viability of a business. Yes, it ought to be legal to organize; that is something that ought to be protected by law; it is a precious right of workers in this country. But it is not a right to go in and destroy the economic viability of a company or business of a small business owner. That is wrong. I find it amazing that anybody could come down and defend that kind of tactic. All in the world this legislation would do is stop those kinds of tactics.

Mr. President, when a union salt goes home to his family, his wife, his son, his daughter, and his wife says to him at the end of that day, "Honey, how was your day?" or that child says, "Daddy, how was your day?" can he look his wife or child in the eye and say, "Oh, I had a great day. I participated in the destruction of a hard-working American's life dream and his livelihood?"

I hope my colleagues will support this legislation.

I yield the floor.

Mr. HARKIN. Mr. President, how much time is left?

The PRESIDING OFFICER. Senator KENNEDY's time is 2 minutes 32 seconds.

Mr. HARKIN. I ask for 1 minute.

Mr. KENNEDY. I yield 1 minute to the Senator from Iowa.

Mr. HARKIN. Mr. President, I have been listening to my friend from Arkansas. I read the language of his bill. The words are, "for the purpose of furthering another employment or agency status." It doesn't say for the purpose of destroying the company. Yet that is what he is talking about.

What is wrong with the purpose, for example, of helping to form a union? There is nothing wrong with that. There is nothing wrong for women, for example, wanting to organize to have a day care center, or minorities wanting to organize to have a day off. That is an agency. The words don't say for the purpose of destroying a company. That is the Senator's own thought process. Furthermore, the Senator from Arkansas's argument is faulty in that he claims this "salting" activity is carried out to specifically cripple economic viability of a business. However, I ask, what person would destroy the

very business, the very thing, their job and living is dependent upon? So it seems the Senator's argument is counterproductive.

Mr. HUTCHINSON. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. On whose time?

Mr. HUTCHINSON. My time is up. My time has expired.

The PRESIDING OFFICER. All time is controlled by the Senator from Massachusetts.

Mr. HARKIN. I wish we had more time. We will debate this later.

Mr. KENNEDY. Mr. President, I ask unanimous consent for 2 more minutes, and yield time to the Senator from Arkansas.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUTCHINSON. Mr. President, I thank the Senator from Massachusetts. I thank my friend from Iowa for yielding for the question.

If you will look at the language in the bill, clearly the primary purpose is to go in to further the goals of an organization or agency. If we go to apply for a job—I ask for the Senator's opinion of this—it is my understanding that if you apply for the job, the primary purpose would be to fulfill the job, and it is not the primary purpose to fulfill the goals of the organization. That is why the employer would not be required to hire the employee under that. He would not fit the definition of a bona fide employee.

Mr. HARKIN. I thank the Senator. I don't know what the definition of bona fide employee is.

I am reading section 4 of the bill. It says:

Nothing in this subsection shall be construed as requiring an employer to employ any person who is not a bona fide employee applicant, in that such person seeks or has sought employment with the employer with the primary purpose of furthering another employment or agency status.

It doesn't say for the primary purpose of destroying the company. That is not it at all.

Mr. HUTCHINSON. If I could ask one more question, would the Senator consider hiring someone in his office whose primary purpose was not to work for him, but whose primary purpose was to undermine everything he is trying to achieve in the U.S. Senate?

Mr. HARKIN. No. Obviously, if someone came in with the purpose of working for me and doing a good job for constituents that I represent in the State of Iowa and is willing to do the job, is dedicated to that job but also wanted, for example, to organize an employee's group for day care, or for minorities rights, or whatever, absolutely I would hire that person. I would do it in a minute. But that example begs the question, how can employer determine a prospective employee's thoughts, intent, or motives? Subsequently, arbitrarily deny employment to someone because they suspect they had ulterior motives. This is bad legislation that

deserves to be defeated. We should be concerned with ensuring fairness and equity for the workers rather than further tilting the scales in favor of unscrupulous employers.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. First of all, I will include in the RECORD the scores of letters from small businessmen and women across the country that reject the Senator's proposition and hope that this legislation will not be included.

Second, Mr. President, any of the circumstances that the Senator has outlined here can be prosecuted under law at the present time.

The idea of conjuring up all of these horror stories and then saying that is what happens in the workplace as a matter of course is fundamentally wrong. That is not the case. If you have disruptions, there are perfectly adequate ways of addressing them.

Finally, Mr. President, the Supreme Court has upheld the concept that one can be interested in a good job with good working conditions, believe in a union, and also be interested in furthering the interests of the company. That is what this proposal would overturn.

Mr. President, I think all of our time has been used up.

I yield 36 seconds.

Mr. WELLSTONE. Mr. President, I just say that I thank my colleague. My understanding is that there might be a little time. My plane was delayed. I will wait. I thank my colleagues.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRIST). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. GORTON. Objection.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The bill clerk continued with the call of the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now resume consideration of S. 2237, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2237) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, we began debate on this Interior appropriations bill last Tuesday. The Senator from West Virginia, Mr. BYRD, and I each made our opening statements and a handful of agreed-upon amendments were added to the bill at that point.

Then we spent much of the rest of the week on an amendment relating to campaign finance laws and other subjects not related to the Interior appropriations bill. So no progress was made on this bill.

Today, a number of Members on the other side of the aisle wish to offer an amendment related to agricultural policy. Of course, under the rules of the Senate, they have every right to do so. It is certainly appropriate to recognize them in the absence of a contested amendment dealing with the Interior appropriations bill.

The majority leader wants all Members to know that there will be time for discussion of that amendment during the course of the afternoon on both sides, including the distinguished chairman of the Committee on Agriculture. But when that debate seems to be over, or at 5 o'clock, whichever comes first, the Senator from Indiana, the chairman of the Appropriations Committee, will move to table the amendment and will ask for the yeas and nays, and there will be a vote on tabling the amendment immediately after the vote that is already scheduled for 5:30 this afternoon.

With that notification, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. DORGAN. Mr. President, let me inquire of the Senator from Iowa—does the Senator from Iowa have the floor?

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. DORGAN. The Senator is going to offer an amendment on our behalf and on behalf of the Senate minority leader. My expectation is Senator GORTON would like to provide an opportunity for the minority leader to speak before the vote. I don't know if he made a unanimous consent request. I hope, in any event, if there is a discussion of time with respect to the tabling of this amendment, that there is an understanding the minority leader will be given time to speak prior to the tabling motion.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HARKIN. I yield without losing my right to the floor. I obviously yield to the Senator from Washington.

Mr. GORTON. At 5 o'clock, under the previous order, we are to go back to another bill, on which we will vote on cloture on the motion to proceed at 5:30. It is the present intention of the ma-

majority leader to have a vote on tabling this amendment immediately after that 5:30 vote. I am sure that the majority leader will want to give the minority leader an opportunity to speak to the issue, however, beforehand. That is something they can negotiate with one another, but I see no problem in letting the minority leader speak.

Mr. WELLSTONE. Mr. President, may I ask my colleague one question?

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I yield to my friend from Minnesota without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Absolutely. I thank the Chair. I guess it is an indirect question for other colleagues as well. I put it in the form of a question to my colleague from Iowa.

While I understand the need for some sort of time agreement, does not the Senator from Iowa agree with me that we have an economic convulsion in agriculture right now and this is an issue of central importance to many Senators from the Midwest? I ask my colleague from Iowa if he thinks, in all due respect to the majority leader, that we are marginalizing or trivializing this issue by saying that it is going to be tabled at 5 o'clock? Some Senators may not even be back here—not just Senator DASCHLE from South Dakota—without the opportunity to speak about this issue.

Does my colleague think maybe it is a mistake not to allow other Senators to speak on this? This is not a small issue—am I correct?—in our States. Doesn't this issue deserve the full attention of the Senate or full opportunity for a full debate? And does my colleague not have some concern that by having a tabling motion sometime around 5, that a good many Senators are not going to be able to speak on this question, this urgent question?

Mr. HARKIN. I respond to the Senator from Minnesota to say I agree with him absolutely, there is a convulsion going on in agriculture today. We are spiraling into a deepening crisis in agriculture all over America, especially in the Midwest. Yes, this issue is of vital importance to farm families and people in rural areas all over America. I do believe we have to take some time to lay out the case and to lay out the facts of what is happening in agriculture today.

My colleague from Minnesota, I know, will do that today. My colleague from North Dakota, and others, I am sure, will want to come on the floor. The Senator from Minnesota is right, it is a Monday. People were told there would be a first vote today at 5:30. So I assume a lot of Senators are now returning to Washington, such as the case with the minority leader, Senator DASCHLE.

I hope, since we are taking some time this afternoon—let's be honest about it, there is not much happening on the

floor of the Senate today. I don't see anybody lined up with amendments. So we are taking this time to talk about and discuss the parameters of the problem in agriculture and to lay down our amendment, of course. But I hope that we will at least have some time beyond 5 or 5:30 this evening, maybe even tomorrow, to have some further discussion on the crisis in agriculture.

The Senator from Minnesota I think is absolutely right. I am sure there are a lot of Senators who would like to say something about this and to maybe add their thoughts, their views, their perceptions, their support. Or perhaps there are those who don't want to support doing anything at all but to just let it go, and they have a right to speak here, too, and they should be heard also.

I am hopeful that, as the Senator from Minnesota has pointed out, the floor manager of the bill and the majority leader of the Senate will at least afford us some valuable opportunity for other Senators to come in and speak on this bill after their return to the Senate Chamber.

Mr. WELLSTONE. May I ask my colleague one more question?

Mr. HARKIN. I yield for a question.

Mr. WELLSTONE. And I will let my colleague go on with his presentation. I know there are a number of Senators who want to speak, myself included.

I ask the Senator from Iowa this question, again, making the appeal to the majority leader: Doesn't this also go to the heart of accountability? Isn't it true people in Iowa, Minnesota, the Dakotas, throughout the Midwest, and, for that matter, throughout the country as well—let me focus on our States—as my colleague from Iowa thinks about it, don't people back in our States have the right to know where we stand? Don't they have a right to know whether or not their Senators have been out here on the floor making proposals—positive proposals—about what could be done that speaks to their economic pain one way or the other? Doesn't this whole issue before us speak to the issue of accountability?

If we have a tabling motion at 5 or 5:30, albeit the minority leader absolutely has to speak, doesn't this take away from the very idea of accountability, where people will wonder, where were our Senators, why didn't they speak up for us, or why didn't they have other alternatives if they didn't like this amendment? Don't we really undercut the very notion of accountability and what we are about by rushing to a tabling motion on such an urgent matter, such a central issue, something that is so important to people in our States?

I feel some indignation about this. This is not the way to proceed. For me, this is the issue. What is happening in Minnesota in agriculture is the issue. I just don't see a couple of hours, table, goodbye, that's it, one way or the other.

Mr. HARKIN. I agree with the Senator, this is a matter of accountability. Senators should have the right to speak, but they should also have the right to cast their vote one way or the other, up or down, on the amendment.

So I am hopeful that there would not be a tabling motion, that in fact we would be able to vote up or down on the package of amendments that I will soon be offering on behalf of Senator DASCHLE and the Senator from Minnesota, the Senator from North Dakota, and several others. But they should have the right to vote on that up or down. I think our constituents, as the Senator pointed out, they have the right. We have the obligation. They have the right to demand that we vote up or down on whether we are going to take some meaningful steps to alleviate the situation in agriculture.

AMENDMENT NO. 3580

(Purpose: To provide emergency assistance to agricultural producers)

Mr. HARKIN. Mr. President, I will soon be sending an amendment forward, but I thought I would speak on it before I do. Then I will yield to my colleague from North Dakota, who I know wants to speak, and my colleague from Minnesota. But I would like to take just a few minutes again to talk about the grave economic situation in rural America.

I just remind my colleagues in the Senate, that the Senate voted unanimously in July on my resolution describing the terrible conditions in agriculture and calling for immediate action by Congress and the administration. That passed the Senate unanimously. Unfortunately, a little bit later, when the Senate had a chance to pass a measure to provide some assistance, we did not manage to assemble the necessary votes. That was in late July before we left for the August recess. I am, however, encouraged by some information I have become aware of that attitudes toward what we proposed in July may have changed. So I am hopeful that today we will be able to pass this critically important legislation to provide emergency farm income assistance to farm families. I see no reason why we cannot pass it in the bipartisan tradition that has customarily been the hallmark of agricultural legislation.

If there was any doubt about the seriousness of the situation and the need for taking action in July, there can be no doubt today that the situation has worsened and that the urgency of the need for a response has increased.

Mr. President, I used these charts last week. Unfortunately, they are still valid this week. But I just want to point out that since we first debated this in July, on July 17, when there seemed to be some sense on the Senate floor that we were not really in a crisis situation in agriculture, that since July 17, we have had a 21-percent decline in the corn price—we used central Illinois as an indicator—and the prices keep on dropping.

As a matter of fact, I point out that just late last week the Department of Agriculture revised their crop estimates for corn, and we are going to have even more corn than we thought we were going to have. So we see that about every time a new estimate comes out, we get closer and closer to 10 billion bushels of corn; and that drives the market price down. The same thing happened with the soybean price. We had an equivalent 21-percent decline in the prices. Again, they are still down there.

Since July 16, when we passed here the version of our agricultural appropriations bill: Dodge City, KS, wheat down 20 percent; north central Iowa corn down 26 percent; southern Iowa/Minnesota market hogs down 11.6 percent. In fact, in hogs we are looking at the lowest prices for hogs since 1974—almost 25 years. Billings, MT, feed barley down 20 percent. Kansas City hard red winter wheat down 13 percent. As I understand it, it is still going down.

We can see what has happened since we passed the farm bill. You see what happened. We had a couple years here of increasing prices, exports were going out, customers overseas, the Asian economy was booming. So we passed the 1996 so-called Freedom to Farm bill, but then everything just started going to pot.

Look at what our prices have done since then. We are on a constant decline and a sharp decline in commodity prices since that period of time, all in corn and in soybeans and in wheat. All three of them, ever since the 1996 farm bill, keeps coming down. That little red line indicates just what happened in the last several weeks.

So if there ever was any doubt in anyone's mind of the crisis in July, there can be no doubt any longer. And prices, unfortunately, are certain to fall even more at harvest. We are facing the reality of a very serious economic hardship, all around the Nation.

And let me just underscore this: This is not the fault of farmers. We have a world situation where large supplies of commodities have combined with weakened demand to drive these commodity prices lower. In just the past 2 years, the farm-level prices for corn, wheat and soybeans have declined an average of over 50 percent in 2 years; and cattle prices, 20 percent below their level earlier in the decade. As I said, hog prices are at their lowest level since 1974.

On top of that, many regions—North Dakota, parts of Minnesota, Oklahoma, Texas, Louisiana—several regions, we have had bad weather and/or crop disease that have devastated farmers. Thirty-two of 50 States suffered declines in personal farm income between 1996 and now.

USDA price estimates are that the lower corn and soybean prices will cause a loss in farm income of \$1.4 billion in Iowa alone this year. Such a loss would threaten up to 26,000 jobs in my State. Nationally, USDA now pre-

dicts a precipitous drop in farm income of \$11 billion this year. That loss of farm income could result in a loss of over 207,000 jobs. Farm debt is at the highest level since the mid-1980s in the depths of the farm crisis at that time.

So, Mr. President, use whatever yardstick of measurement you want. By any measurement, we are spiraling into a deepening crisis in agriculture that must be stopped—and stopped now—before it gets any worse.

So today what we are proposing is a package that has four main elements. No. 1, we propose to remove the caps on loan rates that were put into effect in the 1996 farm bill and to allow the Secretary of Agriculture to extend the loans from 9 months to 15 months.

The way that loan rate would work is that you would take the average price over the last 5 years, drop out the high and the low, take the average, and 85 percent of that would be the loan rate.

No. 2, we propose to ensure that enough money is available for indemnity compensation to farmers who have suffered losses from weather and disease.

No. 3, we propose to provide the Secretary of Agriculture the authority to make storage payments on wheat and feed grains in order to encourage producers to place surplus commodities under loan when the Secretary determines that such action is appropriate to respond to problems in the transportation and marketing systems caused by large supplies.

No. 4, we are reiterating our commitment to livestock price reporting and to the labeling of imported beef and lamb. Parts of this were passed before, but we do not know if that bill is ever going to see the light of day. So we are offering it again on the Interior appropriations. For example, on the livestock reporting and the labeling of imported beef and lamb, those two were passed before. Indemnity compensation was passed before, but at much too low a level. We now know that the losses are much higher than what we anticipated in July.

We believe we have crafted a responsible and modest package to respond to the deepening crisis in rural America. We are not proposing any radical change to the 1996 farm bill. We are not changing any fundamental principles of the 1996 farm bill, which was to give farmers new planning flexibility and freedom. We are not touching that aspect of the 1996 bill.

We are simply modifying something that is already in the bill. Loan rates are part of the 1996 legislation. It is just at that time the wisdom of the Congress—I voted oppositely—was to put caps on the loan rates and to freeze them at the 1996 level. All we would simply do is modify that and lift the caps for the loan rates—use the existing law but just take the caps off, but use the existing law—which would allow the Secretary to extend the loan periods and to make storage payments.

Again, we are not introducing new features. We are simply taking the caps off these loan rates.

Our amendment focuses on the level of the loan that these farmers can take out on commodities after harvest, using their crops as collateral. The loan allows the farmer to pay bills, retain the crop while waiting for improved marketing opportunities.

We always heard about Freedom to Farm that allows families the flexibility to plant, but what the farmer this year doesn't have is the flexibility to market. Because of the need to pay bills, the farmer most often this fall will have to dump the grain on the market at the lowest possible price.

What extending the loan rates and raising the caps means—the farmer can take that loan out, and if the Secretary determines that they should make storage payments, they get storage payments also and the farmer can take the grant—the loan rate that he has—pay the bills, and then he can market his grain, market his grain when he feels is the right time, not just when he is forced to dump it on the market this fall.

We all hope, of course, that next year grain prices might recover, the Asian economy might get better, and prices might come up. If so, I want the farmer to reap the benefits of that, and not just the large grain companies.

The formula, as I said, has been around for a long time. I mentioned the formula; I don't need to go through that again. I will give a couple of examples. The 1996 farm bill set as a cap on the loan rate \$1.89 a bushel; if the cap were removed, the loan rate would be about \$2.17 for the 1998 corn crop—modest, very modest, but it would really help. In the case of wheat, the loan rate capped at \$2.58 a bushel; removing the cap put it at \$3.16 a bushel—still much too low for a real market price for wheat but, again, a modest increase that would help our wheat farmers.

In addition, as I said, our amendment would allow the Secretary to extend the loan for an additional 6 months—from 9 to 15 months—again, to give the farmers some more marketing flexibility.

Let me say a word about giving the Secretary the ability to make storage payments. The purpose of the storage payments is to facilitate orderly marketing, to alleviate burdens on commodity transportation and marketing systems. As we have seen in recent months, large supplies of commodities place a huge stress on the transportation system and on the entire commodity marketing and merchandising system. If farmers place some of this surplus grain into storage rather than dumping it into the market at harvest time, there will be some relief from the pressures on the grain transportation and marketing system.

Again, keep in mind that we are making this discretionary with the Secretary. He can look at the situation as it develops. If it looks like we will

have a lot of grain sitting on the railroad sidings with a backup in cars and we won't be able to get our grain out to market and the prices keep going down, he could then extend some storage payments to farmers.

Again, we are not changing any of the planting flexibility of the 1996 bill or anything like that.

Now, I will just close on this note and say there seems to be some misconception that our amendment involves "Government intrusion" into the business of farmers—that we are going to put the Government back in farming. Nothing could be more mistaken. In fact, we are enhancing the ability of farmers to market their commodities when it is most advantageous for them to do so. I know the old refrain about keeping the Government out of agriculture, giving the farmers more freedom. That is what we are doing. We are giving them more freedom in our amendment, more freedom to be able to market their crops.

Again, this is a modest approach, one that shouldn't cause any real discomfort among those who so strongly adhere to the 1996 farm bill and who believe that we shouldn't make any changes in it. I happen to be one of those who did not vote for the 1996 farm bill. I thought it was a good farm bill for when the export demand is high; when there is a lot of money overseas, it is fine; but when those markets disappear, as they always do cyclically, the farmer is left holding the bag. There is no safety net for farmers.

President Clinton said at the time he signed the farm bill that he was doing so but he recognized that the safety net was taken away and we would have to come back and modify it at some future time. Well, now is the time to take the loan rate caps off and to send a strong message to farmers that we, indeed, recognize the disaster that is taking place out there.

I spent the weekend in my State of Iowa. I had a meeting with a farm advisory committee. There are some people on the committee who are bankers, farmers, commodities dealers, and they stated, to a person, if something is not done this fall, it will be too late next spring. It will be too late to save a lot of farmers. It will be too late to do something about the spiraling down and the economic effects that this will have on all of our businesses in rural America come next year if we don't do something right now.

I see a lot of my colleagues on the floor who would like to speak, so I send my amendment to the desk on behalf of Senator DASCHLE, myself, Senator JOHNSON, Senator KERREY, Senator CONRAD, Senator BAUCUS, Senator DORGAN, and Senator WELLSTONE, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for Mr. DASCHLE, for himself, Mr. HARKIN, Mr.

DORGAN, Mr. JOHNSON, Mr. KERREY, Mr. CONRAD, Mr. BAUCUS, and Mr. WELLSTONE, proposes an amendment numbered 3580.

Mr. HARKIN. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HARKIN. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I listened carefully to the comments by Senator HARKIN from Iowa. I have spoken over the weekend, again, with Senator DASCHLE, on whose behalf we offer this amendment. A group of us have joined together, believing it is urgent that we respond to the farm crisis and that we do so quickly.

I want to go through a couple of charts, just briefly, that describe what this crisis is about. The first chart goes back to April 1996 and shows what has happened to farm prices. Wheat prices have fallen from \$5.75 per bushel down to \$2.46. The price of wheat, in this case, dropped 57 percent in this nearly 2-year period, since the farm bill.

Now, I ask people to think of their own situation. If their income dropped 57 percent, what shape would they find themselves? That is what has happened with family farmers. At the same time the price of their inputs have grown, and increased dramatically. The price of their grain has collapsed. In my State of North Dakota, in 1 year, net farm income for family farmers dropped 98 percent. Anyone in this country, any neighborhood, any community, any business, would be in desperate trouble if they lost 98 percent of their income, and yet that is what has happened to our family farmers.

When historians look back at this period, they will say that this is one of the most significant farm crises that we have faced since the Great Depression. We, in fact, have Depression-era prices for grain in rural America right now. We won't have many family farmers left if this Congress doesn't extend a hand to help out when family farmers are in trouble.

Each month has brought more and more bad news for family farmers. Wheat prices have fallen an average of a 11-cent-a-month drop during this entire year. That amounts to an almost \$40 million income loss each month to North Dakota farmers.

I want to read a letter from a 15-year-old high school boy who comes from a family farm. He wrote me a letter that I received in recent days.

My name is Wyatt Goettle.

Incidentally, he told us we should go ahead and use his name. Wyatt says:

I live on a farm by Donnybrook [in North Dakota], and we raise sheep, cattle, and grow crops. I'm 15 years old and I'm a sophomore at Stanley High School.

This year we rented out most of our cropland. The prices of crops this year and in

past years is ridiculous. What would happen if all the farmers just quit because they couldn't even feed their families? I don't know what is going on, but somebody somewhere is making money and it isn't the farmers that put all the work into it.

Then he says this:

You know, my dad can feed 180 people, but he can't feed his own family because of the prices.

... Our farm is a small family farm and it's hard to keep going. . . . It's hard getting back from school and working until 10:30 or 11:00 at night. Then having to get up at 6:15 the next morning just to find out that you can't put gas in the car to go to school because you can't afford it. It all goes back to the beef and grain prices.

This from a 15-year-old boy, a sophomore attending school in Stanley, ND.

Let me read an additional letter from Brian and Johnnet Christianson, who wrote to me recently from Glenburn, ND. She said:

Our loan officer has told us this will be our last year of farming if we can't make our scheduled payments. We want to farm. I have a good job, and my husband has taken on a full-time job and a part-time job [off the farm] to make ends meet. That is to cover living expenses.

... The public keeps hearing about the family farmer, but what about the farmer's family? The wife tries to be a decision-maker with her husband to pay a bill or get disconnected; or put food on the table. The wife is there to give a smile and a hug when he comes in from the field. As a new school year is getting underway, it is the farmers' children who continue to suffer the misfortunes of the farm life. Don't get me wrong. We have chosen this life for our family, and we will fight to keep it going.

She said:

When mom offers to buy one pair of new school jeans, it is the daughter who says, "No, mommy, I don't need them because we [can't afford it], right, mommy?" As I fill out reduced or free school lunch applications, the farm has brought us \$72 a month this past year. Yet people think we are rich farmers who can handle a bad year.

... Brian and I have a very strong marriage and we will get through this year with hope for a better tomorrow. Our children will, too. We will make it—the optimism of the farmer.

Please continue to fight for equity in grain prices for the farmer and his family.

Now, these two letters—one from a husband and wife and one from a 15-year-old boy—describe this crisis better than I can describe it. The young 15-year-old boy, a sophomore in high school, says:

My dad can feed 180 people, but can't feed his own family because of farm prices.

There is something wrong with that. One fellow sent me something that I ask unanimous consent to be able to show on the floor of the Senate. It is a handful of grain.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. If I might, I will show my colleagues that this is the barley he sent to my office a couple of days ago. Then he sent a similar bag of kitty litter. This kitty litter is worth 20 cents a pound, and the barley is worth 2 cents a pound. This farmer said, "Is there something wrong here?"

Kitty litter is 20 cents a pound and barley 2 cents a pound. Am I missing something?"

No, he is not missing something. There is something fundamentally wrong with grain prices. There is something wrong when we say to the world and to family farmers that what they produce has no value. What they produce has no worth?

I have said this before on the floor of the Senate and we have heard it in testimony of people. Halfway around the world, old women are climbing trees in Sudan to scour for leaves to eat because they are facing starvation. A million and a half people in Sudan are starving halfway around the world. At the same moment that an old woman is climbing trees to get leaves to eat, a family farmer loads up his truck to drive to the elevator with a load of hard red spring wheat. When he gets to the elevator, he is told, "This wheat doesn't have much value; it is not worth much."

Is there a disconnection here? I think so. We produce an abundant quantity of food that the world needs, but somehow we cannot get to halfway around the world where they need it. Those who need it can't get it and those who produce it are told it has no value. If you want to talk about a disconnection of things that are really important on this Earth, that is it.

Now, we passed a new farm bill a couple years ago. I didn't vote for it. I didn't believe the farm bill was the right approach. I still don't. Like so many political promises, that farm bill had big print and it had little print. Unfortunately, as is often the case, the big print giveth and the little print taketh away.

Now, the big print promised that price supports would be set based on marketplace prices. Loan rates would therefore be 85 percent of the Olympic 5-year average of prices on the market. This promised a price cushion for family farmers. If market prices fell, there would be a cushion set at 85 percent of the Olympic 5-year average price. That was the big print.

Now here comes the little print. The little print then said that what the big print said was wrong. The little print said that while loan rates were supposed to be based on market prices, the little print put a cap on it. That is an innocuous little word, that three-letter word—"cap."

So the big print says you get 85 percent of the Olympic market average, and we are going to give you that as an opportunity to provide some kind of price support so that if the market collapses, you have something to support you. But then the little print comes back and says, "Oh, by the way, we are not going to give you what you were promised; we are going to put a cap on it; and therefore your support prices are pathetic." They never use the word "pathetic"; they put the cap on it that made it pathetic. Now we find ourselves under circumstances where we

must come to the floor and say let's take the cap off the loan rate and give farmers what they were promised in the farm bill.

All we want to do is delete just a part of the little print. Our amendment would just delete a part of that little print in the farm bill. Why, you would think we were burning 85 barns down with all the commotion about this. We come and say, "Let's delete the little print that took away from farmers what the big print promised," and you would think we were burning barns down.

Holy cow, people are jumping up and down and screaming that we are going to unwind, unravel, and tear apart the farm bill. No; we are just going to make the farm bill honest. We are trying to make it do for farmers what the farm bill promised it was going to do for farmers. If making that bill honest is the wrong direction, then I guess I have lost part of the compass by which to measure these issues.

Well, let me show the second chart. It describes part of the problem that cries out for attention. The red and orange areas are counties in our State. This is the State of North Dakota, which is 10 times the size of the State of Massachusetts, just for some land mass comparisons. This whole area of the State has been declared as an agricultural disaster. One third of our counties have been declared a disaster every year for the last 5 years. That's right; every single year. Two thirds of our counties have been declared disaster areas in 3 of the last 5 years. Why? It is because of a wet cycle that came and stayed, and provided the conditions for the worst crop disease in a century. And, now we have collapsed grain prices on top of it.

Now, farmers can't make it when, year after year after year, they have recurring natural disasters. That is exactly what has happened. It is precisely why, if we are going to save the family farmers, we must take action now to deal with this issue.

One of the problems that came from these wet cycles and all of the other natural disasters is a crop disease called fusarium head blight, which is a fancy way of saying scab. Farmers know what scab means. It means money is sucked right out of their pockets by decreased grain quality and quantity. Brian Steffenson, a cereal scientist from North Dakota State University, said:

Make no mistake about it. This is the worst plant disease epidemic that the U.S. has faced with any major crop during this century.

Our family farmers face collapsed prices, the worst crop disease of the century, disaster declarations year after year in most of the State. Yet, North Dakota, which is a rural State, is an important part of the bread basket in this country.

Let me add one additional chart which shows another part of the problem. As if this situation is not bad

enough with bad prices, poor crops and crop disease there is another economic dilemma facing our farmers. When the farmer does produce a product, the farmer faces basic monopoly pricing or monopoly influences up the marketing stream.

Want to sell some beef? Well, then, show up at the packing plant and you will find that 87 percent of the beef packing is controlled by four firms. Eighty-seven percent of the cattle slaughtered in this country is controlled by four firms. How about pork? Sixty percent of pork slaughter is controlled by four firms. Fifty-five percent of broiler chicken processing is controlled by four firms. Do you have sheep to send to the market? Well, 73 percent of sheep slaughter is controlled by four companies.

Everywhere a farmer turns, as he sells his commodities up the marketing stream, he finds that it is controlled by monopolistic kinds of enterprises.

How about transportation? Take it to the railroad, and what do you find there? Competition? No. You find one railroad that says, "We will haul your wheat, and here is what we charge you. If you don't like it, tough luck. Try walking down the highway carrying your wheat to market in gunnysacks."

In North Dakota, when you want to ship your wheat from Bismark to Minneapolis, MN, the railroad charges a farmer \$2,300 to ship that carload of wheat. But, if you put that carload wheat on in Minneapolis and ship it to Chicago, which is about the same distance, they don't charge \$2,300. They charge \$1,000. Why do we get charged more than double? Because there is only one railroad. And they say, "Here is your price. If you don't like it, tough luck." So we pay too much money for transportation.

My point is that in every direction the family farmer is confronted not by a free market but by a controlled market—controlled in someone else's interest. That is the dilemma we face.

At some point in agriculture, we reach a point of no return. The question for this Congress is whether we care enough about the future of family farmers in America to take effective action. Do we want to save family farmers? We can decide not to do that.

The best way to decide not to do much about family farming is to essentially say the farm bill passed by Congress was just fine. We can say it is all right that the big print giveth and the little print taketh away. Well, I don't think that is just fine. I think it is critically important to save family farmers.

If this country believes that food is expensive these days, they ought to try buying food once corporate agrifactories farm America from California to Maine. Then they will find out what the price of food really is. It won't be cheap food. It will be expensive food for the American consumer.

This last chart shows a cartoon from one of our newspapers. There is nothing

very funny what we have been discussing. This cartoon tells the story of agriculture in our region. It shows "Family Farmers: The Point of No Returns." It describes the roadbed our farmers are traveling. That roadbed is made up of low yields, low market price, low cattle prices, high production costs, crop disease, bad weather. Our farmers have no returns on their production and now are on the point of no return.

When I talked about transportation costs earlier, I should have also mentioned that there are many other business stories of what family farmers are facing.

My colleague from Minnesota is ready to speak. He comes from the east of North Dakota, Minneapolis, MN. Did you know that if a North Dakota farmer is going to ship his or her grain on a rail bed, put it in a car and ship it on the railroad, that the same railroad that will ship a carload of wheat from Iowa all the way up through North Dakota and then to the West Coast for less? That's right shipping from Iowa up through Minneapolis, through North Dakota to the West Coast will be cheaper to than to load the grain on in North Dakota and ship it from North Dakota to the West Coast? Why? Because shipping from Iowa is a circumstance where you are shipping where there is competition at the point from which you start to ship it. The railroad will charge more money for fewer miles to North Dakota farmers to ship that same load of grain.

My point is, it doesn't matter where you intersect this farm problem. In every single instance you will find out that there are no free markets; not in transportation, chemical prices, slaughterhouses, grain markets, you name it.

I haven't yet even mentioned the unfair trade that comes from Canada and elsewhere that undercuts our farmers' markets and further collapse farm prices. This is in addition to all of the other things I have mentioned. Right now, as I speak, somewhere up in a border port between Canada and the United States there is an 18-wheel truck driving up. And the driver is leaning out with his left elbow telling some Customs' inspector, "Yes. I have Canadian durum on the back of this truck. I have got a load of Canadian durum." He is going to drive that Canadian durum into the United States, undercutting our market, and thus taking the money right out of the pockets of American producers.

How is he going to do it? Because the grain on his truck was sent by the Canadian Wheat Board, which is a monopoly. It is a state-sponsored monopoly that would be illegal in the United States of America. The durum wheat that he is hauling is sold through the Wheat Board at secret prices, which is not something that can happen in this country, either. So we have a state monopoly from Canada selling at secret prices in this country to undercut our

farmers' price. It is fundamentally unfair.

While that truck comes across today, we have trade officials who just sit on their hands. They see nothing, they do nothing and they say nothing. In fact, they ought not be there when the paychecks come out. We ought to save the money. Why have a trade office that doesn't have the energy to get up in the morning and suit up, with the notion that, "I am going to do something good"? I will have more to say about that this week.

Right now my sense is we have trade people who have an unwillingness to take action. I say get rid of them. Get rid of all of them, and do it now. I am at my wit's end with our trade officials, because they know in their hearts that all they have is this mantra of free trade. They ought to really have some cymbals on the street corner someplace and just chant all day. That is all they do is chant. They certainly don't do any effective work with this country. If they did, they would be at the borders deciding that when people come into this country unfairly to try to undercut our markets and dump in this country at secret prices that there ought to be sanctions for that. As I said, I will have more to say about our trade officials later this week.

But I am here today for a very specific reason. Between now and several weeks from now when this Congress adjourns, there isn't a more important agenda item for us to complete than to deal with the farm problem. I hope we can do it together. I hope that Republicans and Democrats coming from farm country are able to stand together and say, "We want to do something to help family farmers get over this price depression."

When prices drop and you have a price valley, we need to build a bridge across that valley. That is what this farm program this Congress passed was supposed to do. But, as I said, the promise was in the big print and the small print took that away. Shame on the small print. What we propose to do is dump the small print today and give family farmers the kind of support that is necessary to get across these price valleys.

Let me finish as I started by telling you about Brian and Johnnet Christianson. This is just one farm family—one couple living on a farm—that is representative of thousands and thousands of farmers across the region. They say, "This will be the last year for us, our loan officer tells us, if we can't make scheduled payments." They ask a question. When their prices drop 57 percent and they are getting more than \$2 a bushel less for their grain than it cost them to produce, how can they possibly be expected to meet their payments?

There are no better people in this country than our farm families. I am not judging who is best. But, certainly there is nobody better folks in this

country than those people who went out and homesteaded the land, built themselves a house, raised a family, and operated a family farm. There are no bigger risk takers in America than those who plant the seed in the spring, and borrow some money to do it. They put everything they have, their sweat, their blood, their tears, everything they have into it. They risk everything they have every year. Then they hope that the insects don't come, it doesn't rain too much, that it rains enough, it doesn't hail, hoping their crop grows. And, when it grows, they hope that if they can harvest it and get it to the elevator, they hope among hope there is some kind of price that will give them the opportunity to make a living.

All of us know in our hearts that those folks are out there crying tears tonight because they are losing their hope and they are losing their dream of wanting to continue a family farm for themselves and their children.

We know what is happening to these people in those farm houses that Brian and Johnnet talk about it. This mother says she is only able to buy her young daughter one pair of new jeans for the school year, and her daughter says, "No, no, that is all right; I know we can't afford that." We know that in those houses they hope tonight that this Congress will do the right thing.

Congress extends itself to say to everyone around the world whenever there is trouble, "We are off rushing to help." What about now, here at home on the family farm, where there is trouble? Shouldn't we begin to rush to help with some real assistance that gives these farm families the hope of surviving for another day, another year, and an opportunity to say, "I am a family farmer, I am making a decent living on the family farm, and I am proud of it." If at the end of the day, together we do what we can and should do to make things right for America's family farmers, we will give these people on our family farms the opportunity to be able to say that with dignity and pride.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, let me, first of all, thank my colleague, Senator DORGAN from North Dakota, and also Senator HARKIN from Iowa.

I think that it is not just a matter of—I think my colleague, Senator DORGAN, will agree with me—of coming to the floor and giving a speech.

This is all so real to us. It is very concrete. This is the issue.

Mr. President, I ask unanimous consent that a letter which was sent to me from Wally Sparby, who is the Minnesota State director of our Minnesota Farm Service Agency, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

USDA FARM SERVICE AGENCY,  
MINNESOTA STATE OFFICE,  
St. Paul, MN, September 10, 1998.

Hon. PAUL WELLSTONE: During our 1998 loan season, we approved loans based on \$4.00 per bushel for wheat and \$2.55 to \$2.75 for corn.

Now the farmers are receiving from \$2.50 to \$2.70 for their wheat in the market place and \$1.42 to \$1.52 per bushel for their corn—this just does not sustain cash flow!

1. The one thing Congress can do that will help farmers with cash flow today, more than anything else right now, is to take the caps off the loan rates!!

That will, on the average, immediately pump 60 cents a bushel into the wheat and 30 cents a bushel into the corn.

2. A Consumer Assurance Reserve should be established to provide for a plentiful food supply in the interest of National security. Store it on the farms and pay them the same rate as commercial storage!

3. Storage should have a two year rotation.

4. Extend the Marketing Loan Program to 18 months.

Senator, I'm also sending you a copy of our Minnesota State Committee deliberations from their South Dakota meeting two weeks ago.

Hope these items can be of some value to you. If I can be of further assistance, please feel free to contact me.

Sincerely,

WALLY SPARBY  
MN State Executive Director, FSA.

Mr. DORGAN. Mr. President, will the Senator from Minnesota yield?

Mr. WELLSTONE. I would be pleased to yield.

Mr. DORGAN. Mr. President, I understand that the unanimous consent request I am going to ask for has been agreed to by both sides.

I ask unanimous consent that no amendments be in order to the pending Harkin amendment prior to a tabling vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, if the Senator from Minnesota will yield further just for a question before he begins his address. I understand that this coming Saturday in Worthington, MN, there is to be a farm rally, which I assume the Senator will be speaking about. The rally is in his home State, but it is a rally designed to encourage farmers from a four-State area to come together to talk about and demonstrate the urgent need to stress this farm crisis. I intend to be in Worthington, MN, this Saturday with Senator WELLSTONE and others. I think it is a 9:30 a.m. farm rally. But I would expect a good many farm families will come from our four-State region to talk about their hopes and dreams and talk about especially what they hope this Congress will do to address this deep and abiding farm crisis.

Mr. WELLSTONE. Mr. President, my colleague from North Dakota is right. This gathering is not a gathering just for farmers, but it is also for small businesses, for educators, for the religious community. It is really for rural America, farmers and other citizens from the Dakotas, from Iowa, from Minnesota. It is going to be 9:30 to noon at the Nobles County Fairground

grandstand. And I also say to my colleague from North Dakota, it is very important to point out to the presiding Chair and others that Republicans are invited to be a part of this gathering. This is going to be a bipartisan effort to focus the attention of the Nation on what is happening in agriculture. So it is a very, very important gathering. I think there will be a huge turnout of people, and I hope that those of us who represent the Midwest, Democrats and Republicans alike, will be there.

Mr. President, I want to read the beginning of the letter that Wally Sparby sent to me. Again, he is the director of the Minnesota State office of the USDA Farm Service Agency.

Senator WELLSTONE:  
During our 1998 loan season, we approved loans based on \$4 per bushel for wheat and \$2.55 to \$2.75 for corn. Now that farmers are receiving from \$2.50 to \$2.70 for their wheat in the marketplace and \$1.42 to \$1.52 per bushel for their corn, it just does not sustain cash flow.

And among the recommendations, the first recommendation is:

The one thing Congress can do that will help farmers with cash flow today more than anything else is to take the caps off loan rates.

That is followed by two exclamation points. I would, again, like to have this letter printed in the RECORD. I think the Chair already indicated its approval.

Mr. President, for the State of Minnesota, according to the Federal figures, net farm income fell 38 percent from 1996 to 1997. With these prices, the current farm income might fall far more than that if we do not act.

I am going to get to the figures and the statistics in a moment, but I would again like to go back to what I said to my colleague, Senator HARKIN from Iowa, at the beginning. We just now had a unanimous consent agreement that there will be no second-degree amendment, but from my point of view, as a Senator from Minnesota, I would just want to say to the majority leader, Senator LOTT, I do not think this procedure is satisfactory. I think we should be accountable. I do not think this should be a tabling motion. I think this should be an up-or-down vote.

We have a package of proposals here, which I will go over in a moment, which represent our best effort to, in a very positive way, respond to an economic convulsion that is taking place in agriculture, to respond to the economic pain of people we represent, to respond to the fact that we now have broken dreams and broken lives and broken families, and the status quo is unacceptable. There is not a one of us, Democrat or Republican, from the Midwest or from the agricultural States, who cannot and should not be out on the floor of the Senate fighting as hard as we can for our people. This is the issue, and I don't think the majority leader's proposal that we have an up or down tabling motion is satisfactory.

For my own part, I do not intend for this to be the end of the debate this week. We are going to come back to this question over and over again. We must.

I think the intent that there only be 3 hours to debate this amendment marginalizes or trivializes what is a central issue in the United States of America today. I think a tabling motion as opposed to an up-or-down vote does the same thing, and we are going to have to be held accountable. One way or another, if we should not prevail today, my working assumption—I am only speaking for myself as a Senator from Minnesota—is that we will come back to this over and over again in however many weeks we have remaining. I consider it to be my mandate as a Senator from Minnesota to make this my central priority.

I do not know any other way to do it. We have so many discussions on the floor of the Senate. People are just coming—they are not even back yet. A lot of Senators will not even have an opportunity to debate this before we have a tabling motion.

Let me just say that in personal terms what this means, this depression in agriculture, these record low prices, is that family farmers, that is to say, people who work on the land, live on the land—they are not absentee investors—are not going to make it. It is just that simple. They cannot make it. So in personal terms this is devastating not just for family farmers but for our small towns, our rural communities, whether it be in Minnesota, Iowa, North Dakota or South Dakota. You name it. It is devastating, absolutely devastating.

We are always going to have somebody farming. There will be acres of land. Someone will own the land. Someone will own the animals for the livestock producers, but the health and vitality of our communities in rural America is not based upon the number of acres that are farmed or the number of farm animals. It is based upon the number of family farmers who live in those communities and contribute to our schools and buy from our local businesses and contribute to our churches or synagogues.

That is what this is all about. We are confronted with the fierce urgency of now. If we are not careful, time is going to march on, and it is going to leave all of us standing alone, standing naked. What that will really mean is that family farmers are just going to be driven off the land where they not only work but where they live.

Again, before I get to the statistics, because I want my colleagues, as I make this plea to Republicans as well, and Democrats and everybody here to understand my own position, which is going to be today if we win, great; if we do not, come back over and over and over again—from my own part I remember moving out to Minnesota to Northfield, where I was a teacher, college teacher, and I don't have an agri-

cultural background, but my father was a Jewish immigrant who fled persecution in Russia where he was a writer. My mother was a cafeteria worker. But, Theresa and Phil—Phil Van Zuillan is no longer alive, he passed away—from Nerstrand in rural Rice County, they were the people who were my teachers when I began to do a lot of community organizing. And that is when I first began to learn about community agriculture. And my friend, Don Langer, who is no longer alive. I learned an awful lot from farmers in Rice County, crop farmers, dairy farmers, about a county 490-some square miles, population 41,000. And then I began to organize with farmers.

And then there was the mid-1980s, and all my organizing then was with farmers. And we saw just essentially a meltdown in agriculture. We saw people driven off the land and record foreclosures—record low prices and record farm foreclosures, in that formula that goes together. I remember going to some of those foreclosures—it was awful—some of those auctions. It was awful. I remember seeing people just breaking down and crying. There were some farm families—let me not be melodramatic, but let me just say it because it is true: I remember some of the men I met, some of the farmers I met, who took their lives. They took their lives.

Mary Ryan works in our office in Willmar in West Central Minnesota. Mary and Bob Ryan—one of their friends, I say to my colleague, Senator CONRAD from North Dakota, took his life. He had been foreclosed on. That is what is going on now. We have to somehow sort of bring this to the attention of the Nation today, but today is not the end of it. If this set of proposals are tabled, this is just the beginning. This will not be the end. For me, I will tell you that as a Senator from Minnesota, it will just be the beginning. We saw this dislocation, we saw people foreclosed on. We had huge, massive rallies. We had anywhere between 10,000 and 15,000 people who marched on the State capital in Minnesota.

I do not want to go through it again, but that is exactly what is happening. My appeal to farmers in our States, and not just the farmers, but to rural America and around the country, is we are going to need you. I hope we succeed today, but if we do not succeed today I hope you will hold people accountable. We are going to need you because we are going to be back over and over again. The principal problem is low commodity prices. If I had a blackboard here and I was teaching, I would just write: Price, price, price. The price of corn in Minnesota is \$1.50 a bushel, or even less at many elevators. You could be the best farmer in the world, the best manager in the world, and there is no way you can cash-flow at \$1.50 a bushel. We ought to have a price of \$2.70 or even \$3 a bushel. Anything below \$2 a bushel is a death

knell for family farmers. Virtually no farmer can cash-flow at that level.

What these days in Minnesota is about \$2.65 per bushel. It should be \$3.75 or \$4. Soybeans are approximately \$5 or \$5.10. We would like to see that price at \$6. The current prices are almost unbelievably low.

According to a letter sent by Secretary of Agriculture Dan Glickman to Minority Leader DASCHLE, corn prices nationwide are 30 percent below the average price of the last 5 years; wheat prices are 28 percent under the average price; and soybean prices are 17 percent below 5-year averages. Livestock prices are way down as well.

This is exactly what happened in the mid-1980s, and we had this massive shakeout of family farmers at that time which changed the face of rural America—and not for the better. Many communities in Minnesota and all across the heartland were devastated by what happened. And that is going to happen again. It is happening now, and we are going to see many of our rural communities destroyed on the present course. We must change that course. This amendment that we have introduced is a positive proposal to change that course.

Some in Minnesota are talking about losses to our State's economy this year of over \$1 billion. Some are speaking about 20 percent plus of family farmers who are threatened. Again, this is not just for the family farmers. It is for small business people, it is for ag lenders, it is for our educational institutions, it is for our children, it is for our grandchildren, it is for our small towns, it is for our rural communities. Do you know what else? In Minnesota, it is also for the Twin Cities. We are all in the same boat. The fate of greater Minnesota and the health and vitality of greater Minnesota, or lack thereof, and health and vitality of our metropolitan area are intertwined. We are looking at an economic convulsion in rural America. Certainly that is the case in the Midwest. We are looking at broken dreams and broken lives and broken families. We have to do something.

I was at a farm crisis meeting, first in Crookston, MN, back in March, in northwestern Minnesota. My colleague, Senator CONRAD, will speak about this as well. It certainly applies to North Dakota in full force. The issue was not just low prices, but several years of bad weather and crop disease. Then I was on a farm in Granite Falls, MN, East Grand Forks and Fulda.

Next weekend, we have this rally scheduled, September 19, Saturday morning. Again, 9:30 to noon, rain or shine, Nobles County Fairgrounds grandstand, Worthington, MN, junction I-90 and highway 59. Senator HARKIN will be there. Senator DORGAN will be there. As many Republicans as possible, and Democrats, I hope will be there as well.

It is not a partisan crisis. I can tell you right now, many of these farmers

who are going under are not Democrats. Many are Republicans and many are Democrats. And I don't think it makes a darned bit of difference to any of them, in terms of political party.

Mr. President, we have taken some steps this year to address the problem. But we are falling way short. We included, if Senator CONRAD remembers this, we included some additional plant loan money into the supplemental appropriations bill earlier this year. That was for spring planting loans. We were pleased to do that. It helped some. Senator CONRAD and DORGAN and DASCHLE and others—and I was pleased to be a part of that effort—put together an indemnity bill that was \$500 million in disaster assistance. It is going to go way up. We are now talking about \$1.5 billion of indemnity payments when we are looking at what is happening in the South as well. That is part of this amendment. That is critically important. We need to get some assistance to people, ASAP. This is a crisis, all in capital letters.

What our current amendment does is simple. I am just going to focus on two or three provisions. First thing our amendment does is it lifts the cap on the farm marketing loan rates, and it raises that loan rate. Again, the primary problem is price. What farmers say to me is: Paul, even if you get the payments out, indemnity payment, disaster assistance payments for us, what is the future for us? Commodity prices have fallen through the floor. Whatever our explanation is for the low commodity prices, there has to be some kind of safety net to help people stay in business. The single most important thing we can do is to improve prices, and the tool we have available to us is the loan rate.

The loan rate does not set the prices, it does not even set a floor under the prices. If it did, the prices would not be as low as they are currently. But the loan rate does tend to give farmers—there is not one Senator who can argue to the contrary—a bit of leverage in the marketplace. It let's them take a loan on that crop, on their crop, and hang on to the crop and wait for prices to improve—if that is their choice.

Or, and this is a critical point—I am sorry that we are at this critical point, but we are—or, when the prices fall below the loan rate, farmers can also use that loan rate as a safety net and take a check worth the difference between the loan rate and the market price on the amount of their production.

It is simple. It is simple. Unfortunately, the 1996 farm bill, which I always call the “freedom to fail” bill—when it passed, I called it that—capped those loan rates at unrealistically low levels. There were some good things in the Freedom to Farm or “freedom to fail” bill, I say to my colleagues who are now coming to the floor, but at least we have to have this modification.

For corn, the Freedom to Farm bill capped loan rates at \$1.89 a bushel.

Again, virtually no farmer can make it on \$1.89 a bushel. It doesn't even work as a partial safety net.

What our amendment will do is lift the current cap on loan rates and raise the marketing loan rate on corn from its current \$1.89 per bushel to \$2.20 or \$2.25. It will raise the loan rate for wheat from the current \$2.58 to about \$3.22. Raising the loan rate usually tends to set a floor under prices by giving farmers some leverage in the marketplace. At a minimum, it certainly will greatly improve the safety net for our farmers.

Our proposal will also extend the repayment period on these same marketing loans to give farmers an extra 6 months to hold on to the grain and wait for a better price.

The purpose of both of these provisions is to give farmers some leverage. The Freedom to Farm bill—what I call the “freedom to fail” bill—gave farmers planting flexibility. That is great. Let me repeat it, that is great.

We were for that. But we now need to give farmers some marketing freedom to go along with the planting freedom. We need to raise the loan rate and extend the repayment on these loans along with dramatically increasing the indemnity money.

I am going to say it one more time. I have other colleagues on the floor who want to speak. Mr. President, we have come to the floor of the Senate with a set of proposals that are substantive, that are credible. The vast majority of family farmers around the country, I am positive, support the proposal to take the cap off the loan rate and get the price up to give them some leverage in the marketplace and the indemnity payments. I hope that there will be strong bipartisan support for this amendment. I hope so. If not, if this amendment should be tabled, then as far as I am concerned, the debate just begins.

I say to Senator CONRAD, who is about to speak—I am about to yield the floor—but I think he will agree with the last point I make which is, for us, am I right, I say to Senator CONRAD, this is the issue, this has to be our work, we want it to be our work? We don't want the pain to be there, but we can't go home without fighting in every possible way, using every rule available, using all of our leverage to make sure that this Senate and this Congress comes forward with positive legislation that can make a difference so that so many good, wonderful people in our States don't go under, are not ruined, are not devastated. That is what this debate is all about. I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I rise to support the package of amendments that is before us, because agriculture in my State is in a crisis. I have previously referred to it as a stealth disaster, because it is flying below the

radar screen of much of the national media. Unlike the disasters of last year that were very visual, this is hard to take a picture of, because this is a circumstance where we have collapsing prices and falling production, and the combination of the two is pressing farmers and forcing them into selling out.

I draw my colleagues' attention to a May, 1998, front-page Wall Street Journal story that examined the agricultural crisis in the heartland of America. It pointed out very clearly that on the northern plains, the new farm bill is yielding pain and upheaval, and, indeed, it is. They point out that the dramatic drop in wheat prices was already, back in May, creating desperate problems for farmers in my State, but also in the State of the Senator from Minnesota, Senator WELLSTONE, who just spoke.

This is a problem that is now recognized not just in our home areas, but across the country. Indeed, not only has the Wall Street Journal written articles on what is happening, but the New York Times. This is a story that ran in July, 1998. They point out we have a desperate crisis in agriculture. We have seen, in fact, two front-page stories in the New York Times, a front-page story in the Washington Post, all talking about the extreme conditions farmers in North Dakota are facing.

Just moments ago, the respected Farm Journal released a survey of 1,000 wheat and corn farmers. The support for changes in farm policy in that Farm Journal survey is overwhelming: 73 percent of those surveyed believe that our current farm bill does not provide adequate income; 77 percent believe Congress should modify the farm bill; 73 percent believe we should lift the caps on marketing loans; 85 percent believe we must stop the import of surplus grain from abroad; 86 percent believe the United States should reestablish the farmer-owned and controlled grain reserve. Only 40 percent of farmers surveyed believe that they will be farming in 5 years. Mr. President, only 32 percent said they would encourage their kids to farm.

This is a survey done by the Farm Journal, perhaps one of the most respected farm journals in this country. The level of support for a change in farm policy is overwhelming, and of course it should be, because what is happening is an unmitigated disaster.

This chart shows what is happening in my home State of North Dakota. North Dakota farm incomes were washed away in 1997. From 1996 to 1997, according to the Government's own records, there was a 98-percent reduction in farm income—a 98-percent reduction. By any measure, this is a calamity, and the result is that literally thousands of farmers are quitting. In fact, the Secretary of Agriculture visited North Dakota in June, 1998. When he came to visit with area producers, he was told by his own crisis response team that we might anticipate losing

up to 25 or even 30 percent of the farmers in my State in the next 2 years. Mr. President, this may be a stealth disaster, but it is a disaster nonetheless, and it requires a response.

The drop in farm income is not just limited to North Dakota. In fact, we are seeing farm income drop in a majority of States. This shows the decrease in farm income from 1996 to 1997 in State after State.

You can see North Dakota, unfortunately, led the way. But not very far behind were Missouri, Maryland, New York, West Virginia, Virginia, Minnesota, Wisconsin. You can see that the heartland States in many cases were those most affected.

In 1998, this picture is even getting more serious, because we are seeing other States deeply affected, some of them by natural disaster, all of them—all of them—by collapsing prices.

Mr. President, we have to understand that this disaster is a result of really two factors: One, natural disasters in my State—overly wet conditions that have led to a dramatic loss in production because of fungus that has gotten loose in the fields. That fungus has caused dramatic crop losses. But on top of that, we have very low farm prices. In fact, we have now reached the lowest level in real terms for farm prices in our history.

This shows spring wheat prices from 1946 to 1997. You can see in 1997 already we were nearing the all-time lows for wheat prices.

Look what has happened in 1998. The bottom has fallen out. We have the lowest prices in real terms in history. In nominal terms we have the lowest prices in 21 years. The result is a collapse of income for farmers and the result is thousands of farmers being forced off the land.

I had a blowup made of some of the ads that are in the farm journals back home. Auction, auction, auction—we are absolutely being flooded with auctions all across North Dakota and Minnesota, parts of Montana and South Dakota and Wisconsin. And one of the interesting things to note is, it isn't old equipment being auctioned off. It is new equipment—1996 cultivator, 1996 swapper, 1996 disc, 1996 tractor. These are farmers who thought they were going to be around. They thought they were going to be in farming, but they are being forced off the land.

Mr. President, in North Dakota, wheat prices last week hit \$2.50 a bushel—\$2.50 a bushel for a commodity that takes about \$5 a bushel to produce. Some have said, "Well, they just plant more and make it up in volume." It reminds me of the story of the fellow that was selling shovels. He was buying them for \$20 and selling them for \$16. And he was so excited because he was selling lots of them. One of his friends with a little cooler head said, "You know, it's not working out so well if you buy them for \$20 and are selling them for \$16. You're losing \$4 on every shovel." This fellow, who was the ulti-

mate optimist said, "I'm going to make up for it in volume." You are not going to make up for it in volume. You are not going to make up for it in any way when you are losing \$4 on every shovel you sell.

The same thing is happening on every bushel of wheat. When it costs you \$5 to produce, and you are getting \$2.50 at the market, you are not going to stay in business very long. That is the hard reality. That is the simple truth.

Mr. President, that is what is happening in my State and many others. Something must be done. And it must be done quickly or we are going to see an exodus from agriculture unlike any we have seen in our history.

Mr. President, it is not enough to define the problem. It is also important to look at what is causing the problem. Let me just put up a chart that shows what we did in the last farm bill.

In the last farm bill we dramatically cut support for agriculture. In the previous 5-year farm bill we averaged \$10 billion a year in support for American producers. In the new farm bill, that has been cut in half—\$5 billion a year for support for our agriculture producers—a dramatic reduction. In fact, this is the biggest cut in Federal spending of any part of the Federal budget.

I am someone that has been a deficit hawk the entire time I have been in the U.S. Senate. I deeply believe in balanced budgets, not because that is the thing to do, but because it makes economic sense. It takes pressure off interest rates and allows America to be more competitive and allows us to get back on track. That is exactly what has happened since we started dramatic reductions in the deficit since 1993.

Mr. President, it is important to understand that no sector of the budget has taken bigger reductions than agriculture. If we look at what our competitors are doing, we see why it puts us in a very difficult position. Because our competitors in Europe are spending much more than we are at supporting their producers.

Mr. President, I indicated that in our country we are spending \$5 billion a year to support our farmers. But in Europe, they are spending nearly \$50 billion a year to support their producers. This is an unfair fight. It is one thing to say to our farmers, "You go out there and compete against the French farmer and the German farmer." That is fair. It is not fair to say to our farmers, "And while you're at it, you go compete against the French Government and the German Government as well." That is not a fair fight. But that is exactly what we are telling our farmers to do. This represents unilateral disarmament in a trade war. We would never do this in a military confrontation. Why are we doing it in a trade confrontation?

Mr. President, \$50 billion a year by Europe to support their producers; \$5 billion a year by us to support our pro-

ducers. Is it any wonder that we are losing the fight? Is it any wonder that Europe is on the march and on the move? Is it any wonder that Europe, who believes they have a strategy and a plan, believes that that strategy and plan are working?

Mr. President, we have to wake up in America. We have to understand that our competitors think we are asleep. They believe that we have been prosperous so long that we are not going to be willing to stay the fight. They believe that America is going to roll over and that they are going to be able to resume agricultural dominance.

Mr. President, if you examine the trend lines so far, they are right, because if you look at what the Europeans are doing, they have gone from being major wheat importers to being major exporters. Their share of the world grain trade has increased year after year after year. And it is time for America to decide, do we fight back or do we surrender?

I do not believe America wants to surrender. I believe America wants to fight back. Other countries want farmers out across the land, not huddled in the cities. That is the choice before us, Mr. President. Because unless we respond, unless we react, unless we help our producers in this fight, they will lose. And that will be a sad day for America. That will be a day we live to regret, because agriculture is at the heart of America's economic dominance. Make no mistake, agriculture is right at the heart of the strength of America. And if we are to surrender that position of dominance, we will rue the day we allow it to happen.

Mr. President, the last farm bill we passed dramatically reduced support. I put a chart up that showed spending per year for our farmers was cut in half. This chart shows the payments that are going out to farmers. In 1998—that is the year we are in—you can see this is the best year; this is the best year under the new farm plan, the best year. Look where it goes from here—down, down, down.

Mr. President, this cannot be allowed to stand. If you look at it from the individual producer's standpoint, here is what happens to the per bushel support that they get under the new farm plan: 1996, 1997—you can see 1998 is the second best year in terms of per bushel payments to our farmers. And then it goes down, down, down.

Again, Mr. President, we have our farmers going on a one-way escalator, and it is an escalator going down. It is an escalator leading to defeat. It is an escalator that says to our farmers, forget it, because this country is not going to stand behind you in this worldwide trade confrontation. We are going to give up. We are going to surrender. We are going to wave the white flag. We would never do that in any kind of military confrontation, and we should not be doing it in this trade confrontation.

As we look at what is before the Senate in terms of this package, we have

an increase in indemnity payments. A number of weeks ago, I introduced on the floor an indemnity plan to help farmers because they are suffering from natural disasters. So many farmers in our State have had 5 years of extraordinary conditions, very bad conditions for the growing of grain, conditions that have led to this outbreak of disease, conditions that have led to a steep drop in production. We put in place crop insurance. It is supposed to be the risk manager for our farmers and help them in disastrous circumstances.

One of the things we have learned about this new program of crop insurance is that it does not work where you have multiple years of disaster. It does not work. The reason it doesn't work is because your production history and base are determined on what your last 5 years of production have been. If you have suffered disaster after disaster, your base is reduced; that determines what you get paid under crop insurance. If you have had 5 years of disaster, your base is so reduced that there is not a safety net, even though the farmers are paying for it through crop insurance premiums.

The first thing we need to do, and the Senate has already agreed, is to provide a system of indemnity payments to those who have had experienced repeated losses and suffered sharp income declines.

Those indemnity payments that we passed in the U.S. Senate were for \$500 million. However, since we passed them, the losses have mounted. They have increased because of drought and disasters in Oklahoma and Louisiana. Because of other natural disasters around the country, we are seeing the income losses mount.

In this amendment we are proposing \$1.5 billion. Already, the USDA tells us that to provide the same level of support we had when we passed the \$500 million amendment in July, it would now take \$1.1 billion today to provide the same level of assistance. We are proposing to go to \$1.5 billion to cover these mounting losses with respect to an indemnity payment.

In addition, we are recommending that we lift the marketing loan rate caps, these artificial caps that were put in place in the last farm bill. On wheat, those caps are put in place at \$2.58 a bushel; \$2.58, when it costs about \$5 a bushel to produce the product. Obviously, those marketing loan rate caps in no way cover the costs of production. The result is devastating losses to farmers' income. The result is devastating losses of farm families.

That is why we are recommending lifting those loan rate caps. No, not to \$5; no, not to \$4; no, not even to \$3.50; but to about \$3.20. We think that is a reasonable proposal on top of the indemnity plan to get some money out across the land so farmers are not forced off their farms. Those are the two key elements of this plan: an indemnity payment plan and lifting of the marketing loan rate caps.

I have already indicated, according to the Farm Journal and their survey just released moments ago, that the overwhelming majority of farmers support lifting the marketing loan rate caps. Now, we will hear some argue that if you lift the loan rate caps, prices will increase and, therefore, production will increase, and therefore a further glut on the market will be created.

I had my staff call the Chief Economist's office at the Department of Agriculture and ask them if that scenario is plausible. They told us, no, it is not plausible due to the structure of the marketing loan program. If we lift the loan rate to \$3.20 a bushel, a farmer can take out a loan for that amount. If he ultimately markets the grain for less than that, he can keep the difference. Only if he sells the grain for more than that \$3.20 does he repay the entire loan amount. That is the way the marketing loan works. By the way, this is not unprecedented. We have a marketing loan in place for cotton and rice. It has worked extremely well for those commodities.

What is wrong here is that the loan rate that we have set is simply too low. It is not allowing farmers to recover sufficient income to be able to stay in business. Again, some have argued if you do this you will get more production; you will raise prices. The people at USDA, the Chief Economist's office, say that is not true. Because of the way the marketing loan rate is structured, a farmer sells for whatever the market brings. If the market is \$2, he gets \$2. If the market is \$2.50, he gets \$2.50. But he gets to keep the difference between the marketing loan rate amount and what he gets for his product in the marketplace. He only repays entirely if, in fact, he gets more in the market than the marketing loan amount. It is, in effect, a safety net. A producer sells his product at whatever he can get for it, but then he is able to keep the difference between the marketing loan rate amount and the market price.

I don't think those who argue that this is going to build stocks have studied this proposal carefully because this applies for just this year. Those who say it will lead to more production are going to have to answer the question, How is that? America has already planted and harvested its crops for this year. How is it that we will have more production when we have already produced this year's crop?

This marketing loan rate increase only applies to this crop year. How is it, we have to ask those on the other side, that this is going to lead to more production when, in fact, the production for this year is already determined? We have already planted. We have already harvested. This marketing loan rate increase is not going to increase production because there is no way to increase the production that is already in the bin. This year is a closed album.

Some say it is going to induce others to produce more. Europe has finished their crop for this year. Canada has finished their crop for this year. We have finished our crop for this year. Who is it that is going to produce more because of a marketing loan rate increase in the United States? The Chief Economist for the United States Agriculture Department says it is not going to induce a price increase anywhere.

The fact is, this is a way of getting financial assistance to farmers who are in a disastrous condition now. What are the alternatives? If somebody else has a better idea, another alternative, I am glad to listen to it. But right here, right now, we have what the farmers are calling for. What the farmers are calling for is to take away these artificial loan rate limits and give farmers a fighting chance against this incredible international competition, where our chief competitors are spending ten times as much as we are in order to support their farmers. I have indicated that Europe is spending nearly \$50 billion a year to support their producers and we are spending \$5 billion.

In support of exports, the margin is even more dramatic. In 1997, we spent \$56 million supporting agricultural exports; Europe spent nearly \$8 billion. This was a ratio of about 138-to-1. Now, I defy my colleagues to explain how it is we win a fight when our side is being outspent 138-to-1. How is it that you have any chance of winning when the other side is outspending you 138-to-1?

Mr. President, I hope very much that my colleagues will move to support this amendment, that the attempt to table this amendment will fail, and that together Republicans and Democrats will decide to back our producers, support our farmers, to say to our chief competitors, the Europeans: "You are not going to buy these markets. America is not going to wave the white flag of surrender, because this country deserves better." It would be a profound mistake to let 20 or 30 percent of our farmers be washed away because other countries have put a higher value on their producers.

Mr. President, I hope very much in the coming hours that people will reflect very carefully on the vote that we are to cast, that they will understand that we are in a trade confrontation, that our chief competitors are outspending us 10-to-1 in terms of overall support for producers. In exports, they are outspending us 100-to-1. Now is the time to respond, fight back, and the time for America to say that we are not going to allow our competitors to put our farmers under because our country is not willing to stand behind its producers.

Mr. President, this will be a defining moment for this year. This will be a defining moment on the floor of the U.S. Senate when we vote on this amendment. I hope very much, on a bipartisan basis, that our colleagues will stand behind our farmers and our farm

families and not allow them to be pushed off the land, to be forced into the cities, and to be left with a very hollow legacy.

I just want to close by saying I just had a farmer call me, whose family has been on the land for over 100 years. They are farmers in the Red River Valley of North Dakota, which is some of the richest farmland in the world. He told me, with tears, that this was the last year for him and his family, that they could not go forward any longer, that it was not possible for them to survive this collection of natural disasters and disastrously low farm prices.

Mr. President, the person that made that call to me is somebody who is recognized in our State as one of our very best farmers. He has won award after award. This is not a case of bad management. This is not a case of people who are spending money foolishly. This is a case of people who have worked hard and committed themselves fully. In fact, in this family, both the man and wife have off-farm jobs as well as full-time farm work. And every member of that family has made a commitment to farm this year. But because of these disastrous conditions, they have said this is their last year.

Mr. President, America will be stronger if that family stays on the farm. America will be better if that family stays on the farm. But it will not happen unless we are willing to help them fight. It will not happen unless we are willing to stand shoulder-to-shoulder with that farm family to give them a fighting chance. It will not happen unless we recognize that we are in a trade confrontation and that we have sent our farmers very lightly armed into a battle in which the competition is heavily armed.

I have spent many hours meeting with European agricultural leaders. It is clear to me that they have a plan and they have a strategy. Their plan and strategy is to regain agricultural dominance worldwide. I hope we don't show the white flag of surrender and give in to our competitors and walk away from this fight. We ought to say today that America is standing by its producers and we intend to fight and we intend to win.

I yield the floor.

Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from South Dakota is recognized.

Mr. JOHNSON. Madam President, I commend my colleagues, Senator DASCHLE, Senator HARKIN, Senator DORGAN, Senator CONRAD, Senator WELLSTONE, and others who have devoted a great amount of time, energy, and talent to crafting this amendment. I rise in strong support of this comprehensive farm relief package being debated on the Senate floor today.

Madam President, I have been in communication with my home State just this morning. Local cash prices for corn now, as we are approaching harvest, have collapsed to a new record

low. Cash corn in Winner, SD, is bringing \$1.10 per bushel today as we speak. Wheat prices have collapsed to \$1.70 per bushel. Land values across my State are beginning to falter. In a communication with a farmer near the Aberdeen, SD, area today, I am apprised of land values that have been valued at \$800 an acre bringing only \$400 an acre in actual sale this week.

This has a rippling effect. As I talk to farm implement dealers, those providing feed, chemical dealers, veterinarians, mechanics, and all the people who prosper when farmers and ranchers in our Nation prosper, they say we need now, more than ever, not only comprehensive legislation, but urgent legislation, to deal in a constructive fashion with the crisis we face in farm country.

Now, Senator CONRAD, I think, made an excellent point in pointing out how the European Community is spending roughly \$50 billion per year sustaining family agriculture in the E.C. In the United States, where only 10 or 12 years ago we were spending \$26 billion ourselves, we are now down to \$5 billion, and we are headed to zero, to the point where we sustain family agriculture, in the greatest food-producing mechanism the world has ever known, with far less than one-half percent of the Federal budget.

Is there a reason our European friends sustain their family agriculture at such a high level? Well, yes, there is. The reason is obvious. In Europe, they have been hungry a couple of times in this century. They know the dilemma that every society faces when agriculture is on its knees, when people are leaving the farm, when food production is inadequate. They value highly the reliability and sustainability and high quality of agriculture in their part of the world.

We in the United States, I am afraid, have grown complacent with the thought that somehow, no matter what we do, fields will be planted and the livestock will be raised, the food will remain inexpensive at the grocery mart, even while we destroy the roots of our agricultural production in this country. I fear that we are going to reach the point some day when we are going to have an experience something similar to what the former Soviet Union found when they destroyed family agriculture, thinking that they could find a new, more efficient way of growing food, only to find the results catastrophic for their society.

Now Russia is trying to reestablish family agriculture. But guess what? Once family agriculture has been pulled up by the roots, it is not so easily reestablished. It is very difficult to do. I fear that indirectly we are going down some of that same road of the destruction of family-based agriculture in this country.

I appreciate that there are some who have such a commitment to the current farm bill that it borders on a theological commitment that nothing

could be changed in that farm bill. There is much in the Freedom to Farm legislation that is constructive. And it is positive. I think most of us applaud the flexibility and the lessened degree of micromanagement that came with that farm bill. Yet, at the same time, I think there is a growing recognition that all is not well. In fact, portions of the farm bill need a desperate and urgent revisit.

We understand that with the collapse of prices that we have now that we need to give farmers a better opportunity to weather these down cycles, both in the grain side, in the farm bill's case, and in terms of livestock production.

For the past few months, I have joined my farm State Democratic colleagues in working on ways to improve economic conditions for farmers and ranchers. As you may remember, during this year's Agriculture appropriations bill, we introduced legislation to assist farmers. We offered amendments which would lift the caps on marketing loans for grain farmers, provide disaster assistance for farmers who suffered losses, provide for mandatory price reporting for livestock sales, and the labeling of imported beef and lamb products.

We were successful to some degree with those amendments. We passed three of those proposals through this Senate: a \$500 million disaster relief assistance package for farmers, a pilot project for mandatory price reporting on captive supplies of live cattle and boxed beef, and an amendment which I offered that will label beef and lamb products for country of origin. However, now that we have gone through the August recess, we are into September, and we still have to convince the House conferees of the importance of these proposals.

So we are back today because the economy in farm country and ranch country is getting, frankly, desperate. Since July, prices for cattle and crops have fallen further, and it seems at this point that there is almost no end in sight.

My recent conversations with farmers and ranchers across my State have been alarming. Ranchers have been selling off their cattle herds. Farmers are applying for off-farm jobs in preparation of losing their farms. And farm-related businesses are laying off employees. Implement dealers are laying off mechanics. Sale barns and veterinarians are laying off their hired help as well.

The ripple effect of this economic crisis has already hurt farmers and ranchers. But it is moving now quickly into our rural communities—and not just the small communities but the larger cities and towns as well.

With that, my farm State colleagues and I are offering this farm relief legislation—this amendment. This legislation is crucially needed if we are going to improve, if we are going to step in the right direction with our farm economy.

The first measure included in this package lifts the caps on marketing loans and extends the terms from 9 to 15 months. Again, we voted on this very same amendment earlier on on this Senate floor. We were defeated on a party-line vote at that time. But this amendment is the best way to provide farmers with an immediate economic impact for the grain products they produce.

It would amend the Agriculture Marketing Transition Act—Freedom to Farm. As many of us know, it gives the President of the United States the authority to declare a state of emergency for producers affected for 1 year, removing the current loan rate caps, and extending the loan period from 9 to 15 months.

Wheat would have the cap increased from the current \$2.58 to \$3.22, up 64 cents per bushel; corn from \$1.89, the current cap, to \$2.25, up 36 cents per bushel; and soybeans from \$5.26 to \$5.33, up 7 cents per bushel.

This would build on the existing marketing loan that is in the current farm bill. This is not a revolutionary departure from the current farm bill. It simply extends and expands the caps to a point where they become meaningful.

The Freedom to Farm, touted in the 1996 farm bill, did deliver the planting and management flexibility to farmers who are able to take advantage of that flexibility, but it failed to deliver freedom for farmers to market in a flexible manner and at a profitable manner. When the farm bill passed, wheat prices stood at nearly \$6. Now, in some cases, it is down to \$1.70. When the farm bill passed, corn was \$5. Now it is \$1.10 in some places.

The financial progress and future viability of our farm and ranch operations depends on the profits that can be gained from our agricultural products. I think all of us support short-term disaster relief. And that is part of our package, too. But the long-term underlying challenge that we have is to create an environment in which the attendant market prices can be gained. Our farmers want, in the long run, to have a decent price for their products. They are not looking for government checks. They are not looking to go back to the old days of \$26 billion a year in the farm program expenditures, although even that is only around half of what the European Community is spending today. But they want an environment where profitability is at least possible.

When cash flow projections were developed last fall by farmers and creditors, better commodity prices were relied upon than what we see today. Keeping in mind the incredible, terrible prices that the farmers are now seeing, it is likely that we will see increased loan delinquencies and default rates in the coming months. So while producers are now essentially receiving prices comparable to what they received in the 1940s, their input and production costs reflect the modern-day realities of the 1990s.

How many of us could make a decent living on 1940s wages and 1990s costs? We could not, and neither can the farmers nor the ranchers. So we are witnessing another devastating bout of farmers and ranchers going out of business.

Second, this package will provide short-term disaster assistance. It will provide funding for income losses to farmers in the Dakotas, Texas, Oklahoma, and Louisiana—all of the hard-hit rural areas of our Nation.

We successfully passed a \$500 million proposal as part of the coming fiscal year's Agriculture appropriations debate. But it is still tied up in conference and it doesn't take into account the recent disasters we have had in Texas, Oklahoma and Louisiana, the devastating drought circumstances that currently exist there.

Third, this package would provide for emergency storage payments. It provides for commodities placed under the marketing loans. It will allow farmers to store their grains during these low price cycles so they will be able to market them with an eye toward more profitability over a longer window every time.

It would provide for mandatory price reporting creating a 3-year pilot program that requires meat packers to report prices on live cattle and boxed beef; allows the Secretary of Agriculture to define and prohibit anti-competitive practices. It strengthens the 1921 Packers and Stockyards Act; provides whistle-blower protection for smaller producers who speak out against captive supplies from business discrimination in the livestock industry; and, it would create a commission to study credit availability to determine if current lending practices on the part of the Federal Government contribute to the growing problem of concentration in agriculture. Lastly, and importantly to me, it would again reinvestigate the issue of labeling beef and lamb meat products.

The Meat Labeling Act of 1998 was unanimously approved by the Senate during its deliberations of the 1999 Agriculture appropriations bill. The House, however, did not include it in its version of its Agriculture appropriations bill. Currently, we are tied up in conference.

Again, this is commonsense legislation. We label virtually every product Americans purchase, whether it be T-shirts, auto parts, shoes, whatever. The one thing that is not labeled by country of origin is the food products we feed our families.

This has the support of the National Cattlemen's Beef Association, the National Farmers Union, the American Farm Bureau Federation, and the American Sheep Industry Association. It has broad bipartisan support, and I am proud that the original Senate bill had the support of eight Republicans and nine Democratic Senators.

Our livestock producers across this country have invested heavily in ap-

proved genetics, in marketing efforts, and in food safety in order to provide the best quality and safest food in the world to American consumers. But all too often they don't gain the benefit of those investments.

With the Canadian producers sending over half their beef production into the United States today, I believe more than ever the time is ripe for American consumers to at least have the ability to judge for themselves whether or not they wish to buy a foreign product. They may choose to do so. That is their prerogative. There is nothing in the food labeling amendment that would prohibit imported meat products into the United States, but it would put us on par with what other countries in the world are doing. The European Community is going to be mandating country of origin food labeling by the year 2000 for all of their nations. Most other major consuming nations in the world also apply country of origin labeling to food as well as to other consumer products.

This legislation, in short, is more than simply help for our livestock producers. It is endorsed by the National Consumers League, the Nation's oldest consumer organization. Once again, American consumers have a right to know the source of the food products they feed their families.

Madam President, this particular effort is not anti free trade; it is common sense. I know there are some who say, on the one hand, that Americans may choose a foreign meat product. If they do so, that certainly is their prerogative. There are others who say no, Americans will choose American meat products. If they do so, again, it is their prerogative. There are those who are concerned that other nations will label country of origin on their food products. They already have. But even so, I have enough confidence, and obviously the American agricultural organizations, the key organizations that are in support of this amendment have equal confidence, that if any nation anywhere in the world wishes a stamp "Made in USA" on an American meat product, more power to them. We have confidence in our product. We think we can market with the country of origin label right now.

Currently, Argentina, Australia, Bosnia, Brazil, Canada, Chile, Colombia, Costa Rica, the Czech Republic, the Dominican Republic, Egypt, El Salvador, Estonia, Guatemala, Honduras, Hungary, Indonesia, Israel, Korea, Latvia, Malaysia, Mexico, Philippines, Russia, Switzerland, Thailand, Turkey, United Arab Emirates, and Venezuela have some sort of meat labeling, with the E.C. soon to follow comprehensively by the year 2000.

I have been meeting with Secretary Glickman as well as with Senator LARRY CRAIG of Idaho, Senator CONRAD BURNS of Montana, Senator MAX BAUCUS of Montana, and Senator BYRON DORGAN of North Dakota to discuss the importance of this legislation to our

farmers and ranchers as well as our consumers. I am pleased that Secretary Glickman has exhibited his willingness to work with us on this legislation to make country of origin meat labeling a reality.

With these steps in the right direction, I do not believe that we will have resolved all of the crises that we have in American agriculture, but it will go a long way toward addressing both the short- and the long-term problems we face. We need, obviously, to address trade issues, we need to address rural development issues, ag research—all of them go together—if we are going to have the kind of comprehensive strategy that is necessary to maintain a strong rural America and an underlying strong level of support for a qualitative and abundant food supply for this Nation.

At this time, there is no other package that comes as close as this does to addressing the urgent crises that we have in American agriculture. So I enthusiastically rise in support of this amendment and again commend ranking member HARKIN for his tremendous leadership, as well as Senator DASCHLE for his work in making this amendment a reality. This is an opportunity to address this crisis. We are running out of time. We have 5 to 6 weeks remaining of this Congress. There are farmers and ranchers leaving the land as we speak. There are small businesses going broke as we speak. There is no time to wait. We need to move now on this legislation and get this to the President's desk as quickly as possible.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Madam President, I thank the Senator from South Dakota for his contribution not only to this debate but his contribution to overall agriculture legislation which he has worked on for so many years, first as a Member of the House and now the Senate. I know of his deep commitment to family farmers and to doing whatever we can this fall to stop the crisis in agriculture. I know it is hitting the State of South Dakota every bit as hard as it is hitting Iowa and other States in the Midwest. So I listened carefully to what the Senator from South Dakota had to say, and he is right on the mark.

Madam President, we cannot really afford to dally around any longer. We have to take action, and we have to take action now, or it is going to cost us a lot more later on.

There are two things I would like to have printed in the RECORD. One is a letter dated September 10 from Secretary of Agriculture Glickman supporting the package of amendments we are considering in the Chamber right now. I ask unanimous consent this letter be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY,  
Washington, DC, September 10, 1998.

Hon. TOM DASCHLE,  
Minority Leader, U.S. Senate,  
The Capitol, Washington, DC.

DEAR TOM: I am writing in support of the Daschle-Harkin Agriculture Relief amendments to address the crisis faced by American farmers. This is an important set of actions that will help respond to the deteriorating economic conditions that have placed enormous burdens on our nation's agricultural community.

Our farmers are faced with problems unequalled in years: Corn prices are 30% below the average of the past five years; Wheat prices are 28% under the average level of the past five years; Soybean prices are under the five year average by 16%; Cattle prices are 17% under the 5 year average; Net cash farm income projects will be 43% below the average of the past five years; and as a result of these and other price declines: many of our farm families are facing dire circumstances; farm land values are declining, farmers are increasingly facing cash flow problems, and they are being told they might not get credit for their 1999 crops.

When the President signed the 1996 Farm Bill, he said we must do more to restore the safety net for American farmers. In July, in response to this crisis, the President announced measures to ease farmers' difficulties, including the purchase of up to 80 million bushels of wheat worth approximately \$250 million for humanitarian shipment abroad, and he supported the Conrad-Dorgan amendment for disaster assistance that was added to the agricultural appropriations bill.

Since then, because crop prices have continued to plummet, with no immediate sign that the trend will be reversed, we must do even more. Therefore, the Administration supports the Daschle-Harkin amendment to the Interior appropriations bill that would remove the cap on marketing loan rates for one year.

We look forward to working with you to assist the nation's farmers who have been so severely affected by these circumstances.

With best personal regards, I am

Sincerely,

DAN GLICKMAN,  
Secretary.

Mr. HARKIN. Secondly, Madam President, I learned this morning of a poll that had been taken, and the poll has just been released. I believe it was released at 2:30 this afternoon, so the paper is still hot, just off the press. It is quite a startling poll when you look at the results. I am going to talk about that. The poll was prepared by Rockwood Research, a subsidiary of Farm Journal, Inc. It was prepared for the Nebraska Wheat Growers Association, the American Corn Growers Association, and the Nebraska Farmers Union.

I just want to say what the method was here. The method was that representative data was drawn from 1,000 wheat and corn growers throughout the United States. They have here a table of how many were contacted in each State. For example, in the State of Illinois, 55 corn growers and 33 wheat growers, for a total of 88, were contacted; in Idaho, 1 corn grower, 12 wheat growers, a total of 13; in Iowa, 72 corn growers, no wheat growers; in Kansas, 9 corn growers, 72 wheat growers, et cetera. All over the United States, from every State, from Ala-

bama to Wyoming, farmers were contacted on this poll—500 corn growers and 500 wheat growers, calls made randomly. I will not go through all the questions, but I would like to highlight just a couple.

Question No. 7: "Congress should modify the current farm program?" Yes or no. Seventy-six point nine percent said yes, 17.7 percent said no.

Question No. 8: "Congress should lift loan caps and raise loan rates 59 cents per bushel on wheat and 32 cents on corn." That is what is in the package of amendments in the Chamber right now. And 72.5 said yes, 19.4 percent said no.

Overwhelming, 3 to 1—actually over 3 to 1—said that we have to raise the loan rates, we have to modify the farm program, and we ought to lift the caps.

There are a couple of other findings in this poll, one here that I found very illuminating. Question No. 13: "A farm program should retain planting flexibility and include a farmer-owned and farmer-controlled grain reserve?" Eighty-five point nine percent, yes; 9.9 percent, no. Think about it. Planting flexibility with a farmer-owned and farmer-controlled grain reserve—almost 86 percent of the farmers polled said yes. There is no question about that.

Well, that is what is in the package of amendments before us. We have planting flexibility, we provide standby authority for the Secretary of Agriculture to provide for storage payments to farmers, and then lifting the caps from the loan rates would give the farmer marketing flexibility, that ability to keep his own grain and market it as he wants to over the next several months. Eighty-six percent of those polled said yes, they were in favor of that.

Madam President, I am going to put a copy of this poll on every Senator's desk, and I hope that each Senator will read this poll very carefully before a vote is taken on our package of amendments. I understand there is going to be a motion to table. I am just hopeful that every Senator will take a look at these poll results and see what the farmers are saying. This is not my poll. It is not a skewed poll. The poll was done by a reputable polling firm. One thousand farmers polled, random sampling. It is not even close—it is not even close—about whether farmers want to raise the loan rates or not. It is overwhelmingly positive to get the loan rates raised and to provide for a farmer-owned reserve so that farmers can market their own grain.

Madam President, I ask unanimous consent to print the results of this poll in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. FARM BILL STUDY

(Prepared by: Rockwood Research, a subsidiary of Farm Journal, Inc.)

(Prepared for Nebraska Wheat Growers Association, American Corn Growers Association, and Nebraska Farmers Union)

BACKGROUND

The "Freedom to Farm" bill was intended to give farmers financial stability despite the fluctuating market. Nebraska Wheat Growers Association, along with American Corn Growers Association and Nebraska and National Farmers Union, are concerned that the bill is not effective considering the current U.S. economic position. This study investigates the attitudes of U.S. farmers in regards to the current and future economic climate associated with the farm bill.

PURPOSE

To identify farmers' attitudes concerning the current U.S. farm economy and farm program. Results will be used to influence future U.S. economic policy.

OBJECTIVES

To identify growers' attitudes concerning current U.S. farm policies.

To measure the need for U.S. farm policy reform.

METHOD

Representative data was drawn from 1000 wheat and corn growers throughout the United States. The sample was drawn from FARMMAIL, a database of Farm Journal, Inc. Respondents raised a minimum of 100 acres of wheat or corn. All interviews were conducted at Rockwood Research Corporation's interviewing facilities in River Falls, WI and Webster City, IA. Professionally trained agricultural interviewers conducted the survey between September 4 and September 10, 1998. The collected data were edited, processed and tabulated in Rockwood's in-house data processing department. Numbers have been weighted to accurately represent the number of growers per state.

SAMPLE DISTRIBUTION

The sample was drawn from 500 corn growers and 500 wheat growers in the United States. Calls were randomly made throughout the United States resulting in the below distribution:

State	Corn Growers	Wheat Growers	Total
Alabama	5	0	5
Arkansas	1	8	9
California	2	4	6
Colorado	4	11	15
Florida	2	0	2
Georgia	8	0	8
Idaho	1	12	13

State	Corn Growers	Wheat Growers	Total
Illinois	55	33	88
Indiana	37	25	62
Iowa	72	0	72
Kansas	9	72	81
Kentucky	17	0	17
Louisiana	1	0	1
Maryland	5	5	10
Michigan	19	24	43
Minnesota	42	25	67
Mississippi	3	2	5
Missouri	21	0	21
Montana	0	17	17
Nebraska	29	25	54
New Jersey	1	0	1
New Mexico	0	2	2
New York	10	0	10
North Carolina	13	13	26
North Dakota	0	45	45
Ohio	37	47	84
Oklahoma	0	33	33
Oregon	0	6	6
Pennsylvania	21	15	36
South Carolina	4	0	4
South Dakota	16	24	40
Tennessee	9	0	9
Texas	7	29	36
Utah	1	2	3
Vermont	1	0	1
Virginia	6	7	13
Washington	1	10	11
West Virginia	1	0	1
Wisconsin	36	0	36
Wyoming	0	1	1
Total	500	500	1,000

Note: Numbers are weighted to accurately represent the number of growers per state.

Question	A	D	DK	A	D		
3. Large agribusiness concentration in agriculture markets causes lower ag commodity prices	65.1	25.8	9.1	71.6	28.4		
4. The current farm bill provides an adequate income safety net to protect farm income during years of low commodity prices	23.9	72.8	3.4	24.7	75.3		
5. At today's prices, I see myself farming five years from now	39.8	55.1	5.1	41.9	58.1		
6. I would encourage my children to enter farming	32.0	61.5	6.5	34.2	65.8		
7. Congress should modify the current farm program	76.9	17.7	5.4	81.3	18.7		
8. Congress should lift loan caps and raise loan rates 59 cents per bushel on wheat and 32 cents on corn	72.5	19.4	8.1	78.9	21.1		
9. US agriculture has the ability to produce more total farm goods than can be sold at profitable levels	73.8	18.6	7.6	79.8	20.2		
10. A farm program should reduce production in exchange for increased income safety net support	56.3	37.3	6.4	60.2	39.8		
11. See below.							
12. A farm program should retain planting flexibility and include normal crop acreage set-asides	74.4	20.2	5.3	78.6	21.4		
13. A farm program should retain planting flexibility and include a farmer-owned and farmer-controlled grain reserve	85.9	9.9	4.2	89.7	10.3		
14. The US government should stop the importation of grains into the US market that are in surplus or abundant supply, such as Canadian Wheat	85.0	13.2	1.9	86.6	13.4		
15. The US should not export its farm commodities at prices below the cost of production	57.2	38.5	4.3	59.7	40.3		
16. The Conservation Reserve Program (CRP) should be expanded	61.5	31.8	6.7	65.9	34.1		
17. I expect my banker to continue to provide me with necessary operating loans under the same loan provisions as he extended me in the past	76.7	13.7	9.6	84.8	15.2		
GF	LF	B	DK	GF	LF	B	
18. Are you primarily a grain farmer or livestock feeder?	56.7	14.9	27.9	0.4	56.9	15.0	28.9
	05%	010%	015%	OAA	ODK		
11. How much cutback in production is acceptable?	8.6	13.9	5.6	51.7	20.1		
	10.8	17.4	7.0	64.8			
							(Don't know included)
							(Don't know not included)

Mr. HARKIN. Madam President, I heard some talk around here that some on the other side of the aisle are talking about coming up with a new program called lost market compensation payments, or something like that. So, as I understand it, it would just be a set rate of payments. They are going to come up with money and give it out to farmers like another AMTA payment.

So what is the difference between that and taking the caps off the loan rates? A big difference. Keep in mind, if we have a direct payment, if you just give the money out to farmers this fall, and if the prices go up next year—which we all hope they do—the Government is out that money. If we have an increased loan rate and farmers can take that loan and pay their bills, and if the prices go up next year over 15 months—because that is what we put in the legislation, a 15-month loan—if, over the next 15 months, the prices go up, farmers can sell their grain, pay the loan back to the Government with interest, and, therefore, the Government would not necessarily be out all that money. The income protection is

there, but if prices rise the Government will not bear as much cost.

As I understand it the idea is to come up with this lost market compensation payment—it certainly sounds fancy to me—to pay out some amount of money regardless of what prices may do over the course of the marketing year. The loan rate approach is responsive to changes in market prices and the need for farm income protection. Again, keep in mind, if the money just goes out in direct AMTA-type payments and the price goes up next year, the Government is out that money. You do not get that money back.

Second, if you make that direct payment to farmers, a lot of that direct payment will not go to farmers. Like the AMTA payment, it will go to landowners, it will go to landlords, and it may go to a number of people who will not even be farming next year. I heard that concern a lot in Iowa. In July we passed a bill to allow up-front payment of AMTA payments, we brought up next year's payment to this fall. There are going to be a number of cases where people who took that early AMTA payment are not around to be

farming next year, and the person who is farming the land next year will get nothing. Lifting the caps from the marketing loan rates goes to benefit the farmer. It goes to that producer out there who really needs the income protection this fall and over the next 12 to 15 months.

The next point to keep in mind, and the difference between raising the loan rates and the new AMTA-type payments, is that with increasing the loan rate, even though it is a marketing loan, we believe it will provide some price stability. It will help farmers conduct more orderly marketing of commodities and help to lessen the erosion of prices because farmers will not be under such pressure to sell. A direct payment out will not have this effect. And it will mean that farmers this fall without an adequate loan rate will have less of an opportunity to avoid just having to dump their grain on the market for whatever they get. So a marketing loan at a better level, particularly along with some storage payments, can head off a lot of problems. Without them we are likely to have more grain sitting on the siding, grain

dumped on the ground and more of it rotting out there because we do not have the railcars to move it all at once.

So any way you cut it, any way you want to look at it, lifting the loan rate caps makes sense. From the standpoint of how much we are asking the taxpayers to bear the burden, who is going to receive the help—whether it is farmers or landlords—and whether we are going to do something to stop the downward trend of prices, any way you look at it, removing the caps on loan rates and providing standby authority for storage payments is in our best interest.

Finally, there are those who might say if you raise the loan rates, you are going to cut us out of foreign markets. What nonsense. Keep in mind that these are marketing loans we are addressing today. They do not price the U.S. out of markets. And, in any event, I have often wondered what good does it do if a farmer has to sell a bushel of grain for 10 cents a bushel because that is the only way to export the grain? By that reasoning we will drive all our farmers out of business. Taking the cap off of loan rates will help farmers stay in business to produce the grain we are going to need to be a reliable and adequate supplier for the world market, and it will help our farmers and not just those who may happen to own land.

Madam President, we are, right now, on the verge of losing thousands and thousands more farmers, mainly young farmers, a lot of them who have a heavy debt load who are paying it off, trying to get a foothold in agriculture. They are smart. They are aggressive. They are good managers. But they are being driven out of agriculture by forces beyond their control. Now our efforts to improve the farm bill to help them seems blocked by an ideological devotion to every aspect of the present farm bill. I don't mind. I know people have ideologies and they believe certain things and they enact them into law. That is fine. It happens all the time. But at some point, practicality has to rule. However good the so-called Freedom to Farm was for the last couple of years because we had good export markets, it is not working now to address this crisis. If it is not working, change it. Are we so rigid, are we so cast in stone that because we passed a bill a couple of years ago we can't do anything about that?

Yes, we can. The farm bill is not the Ten Commandments. Improving it doesn't require a constitutional amendment. It just requires 51 votes; that is all, just 51 votes. As I said earlier, when you look at those poll results, when you see more than a three-to-one ratio of farmers saying we ought to raise the loan rates, then you know that we ought to be doing it to help them survive this crisis.

Madam President, over the weekend, farmers, bankers and others with real knowledge of the farm economic situation told me that by next February,

March, and April, we will likely have many farmers in this country going to the banks to get their loans for planting and being told by the bankers who look at their balance sheets, "I am sorry, you simply do not qualify."

I also point out that we have a lot of farmers with Government-backed loans who are making it now; they are farming. But what is going to happen next spring if they can't make it and they can't get the money to put in another crop? What is going to happen to all the Government-backed loans that we have out to farmers?

Again, we have to act, and we have to act soon. We cannot wait until next February, March, or April. It will be too late. The one thing I heard loudly and clearly this weekend in my State of Iowa was that if Congress doesn't do something before we adjourn, we might as well not do anything at all next year. That came through loudly and clearly.

Another message that came through loudly and clearly is that we don't need another direct payment going out in a lump sum because the benefit of those payments flows so heavily to landowners, and the farmer got precious little.

I had a number of farmers tell me this weekend that some of those advanced payments that we gave, or are sending out this fall, a number of those people getting those payments won't even be farming next year—won't even be farming. So we are giving them a farm payment that would have gone next year to farmers, and they are not even farming, but they are going to get the payment this fall. That doesn't sound like a very wise policy to me.

The wisest thing for us to do is what has proven to be effective and what farmers know is effective and the poll results show: Lift the caps on marketing loan rates, extend the period to 15 months, provide the Secretary of Agriculture the authority to make storage payments and increase the amount of indemnity payments we are going to make. The amount we passed in July is not sufficient. Do those things, and then we can really help farm families to survive, we can save our economy, and remain competitive in world markets.

Madam President, I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. What is the current business?

The PRESIDING OFFICER. The pending question is the Harkin amendment No. 3580, which is a first-degree amendment to S. 2237, the Interior appropriations bill for fiscal year 1999.

Mr. THOMAS. Thank you. Madam President, I am going to speak a few minutes on the amendment and, in particular, on the farmers' and ranchers' situation.

Madam President, almost all of us have farmers and ranchers in our areas. Certainly in Wyoming, agriculture is

one of the three economic interests that we have, most of us do, so all of us are concerned about agriculture. And we are in a time when agriculture needs, indeed, are our concern, and more than our concern, it needs some action. Many of us have been working for some time to find some areas in which agriculture can be strengthened, in which agriculture can be helped and assisted through a very hard time.

I have listened this afternoon to several Senators representing their constituents and talking about agriculture. Each of them has represented a point of view, and that is basically to seek to return to the farm program time, and that is the issue here. I don't think there will be a soul in this place who doesn't want to assist agriculture. There won't be anyone in this Senate who doesn't think we ought to do something to strengthen this segment of our economy, but there is a division of view as to whether we seek to do some things to help make the transition from agriculture, as we have known it over the years—with acreage limitations, with farm subsidies and those kinds of things—to a market enterprise which we are now seeking to do.

Our real challenge is to assist in continuing to move toward market agriculture which, at least in the State I represent, is the predominant view. People know that long-term agriculture will be stronger. Agriculture will be better. Our production will be more efficient in a market economy. What we are really talking about is how can we best do this, how can we best help agriculture, how can we best pull through this kind of a situation, and at the same time continue to help agriculture move to a market economy.

Some have spoken about their contacts over the last week and, indeed, over the last month. I spent August in Wyoming talking with farmers and ranchers about it. Interestingly enough, we have three economic areas, basically, in my State: One is agriculture; one is mineral extraction; and one is visitation and tourism. Frankly, agriculture and minerals are both in tough shape. Oil, for example, is the cheapest it has been in history, I think. So we do have some concerns.

Let me talk to you about some of the things that agricultural producers said to me in terms of long-term recommendations.

One is consumer demand. For instance, in the beef industry, we need to strengthen consumer demand. Certainly what has happened in Asia has an impact on agriculture, particularly on exports. Some 40 percent of agricultural production goes into exports.

Meat labeling, which we are moving toward doing—we need meat labeling so we know the origin of meat, whether it is imported, whether it is domestic, so buyers can make a choice.

In my State, we have other kinds of things. Fifty percent of our State belongs to the Federal Government and is

Federal lands. We have a good deal of problems with animal damage control, with predators and these kinds of things. These are also some of the issues.

The idea that you simply try to go back to a controlled farming program is not a solution to all of agriculture. I understand the Senator from Iowa is concerned about the basic crops—wheat and corn and grains. That is a farm program kind of a thing.

The agricultural problem is not confined only to those commodities. I am told, with the market, in rural areas, they are talking about fast track, for example, doing something about increasing markets in South America, doing something about increasing markets in Asia to strengthen access, increase consumer demand. These are the things that were told to me by agriculturists who want to do things that will be of long-term benefit.

We need to talk about control programs for grasshoppers. We haven't done as well. We are not funding the Grasshopper Control Program as we did. Those are things having an impact on agriculture, not simply going back to a program that we had before to increase the loan rate. That is a remedy, but that is certainly not the only remedy and, indeed, probably not the best remedy.

We need to be doing some things now and, indeed, we are. We need to continue to do that. The \$5.5 billion in transition payments and accelerated payments that have been made to farm producers designed to help make the transition from a controlled Government farm program to a market program, that is what is expected; that is what is being done. We will do something, hopefully, about fast-track negotiations which are being held up, as you know.

The Crop Insurance Program is one that needs to be changed. Crop insurance is based on last year's production, last year's crop. If you didn't have a crop last year because of the drought, or whatever, then your crop insurance is virtually of no value.

We need to do something about tax legislation. We need capital gains relief in agriculture. Probably of any industry, the people who are in agriculture have more money invested in their facilities for the amount of cash flow of any industry.

There are farm savings accounts and income averaging which we passed and need to make permanent. Agriculture is traditionally profitable one year, less profitable another year. There needs to be income averaging.

They need 100 percent deductibility of self-employed health care, which is one of the things that farmers and ranchers need to put them on an even par with others.

These are the kinds of things that we are, indeed, talking about doing and, indeed, must do in order to allow this transition to take place.

There has been talk about a program for an increased conservation reserve,

which would cost, I suppose, \$2.5 billion to actually take some of the production out of production and put into a conservation area so that we can have impact on the prices. We can do this.

These are the things that are underway now, as a matter of fact, and have been for some time. Some of them were passed before we left in August. And we should continue to do that.

So I think everyone here takes seriously the difficulties that we are having in agriculture. Everyone here knows that we need to do some things to keep agriculturists in business, to help level out income over years when it is up and down—as it traditionally is—to do something about crop insurance so that when you are put up to the vagaries of weather and those kinds of things that there is some kind of an income support that you can depend on, but one that is part of the market, the market system.

We surely need to go back to the beginning to open more foreign markets so we can do that. We have to do something about unilateral sanctions, which we already did at least partially. And you remember in Pakistan when they fired off the nuclear thing, immediately sanctions went on, the fact that we could not sell agricultural products there. That has been changed and, indeed, should be changed so we have that market available.

So these are the kinds of things. I hope that we take a look at what really helps farmers and ranchers make a transition into the marketplace, in which I believe strongly. Frankly, the people in my State who I talk to believe also the best long-term direction for both agriculture and producers, and for consumers, is to have a market demand so that the production is, indeed, for the market, that production is not simply for some kind of a loan in which it goes into storage and becomes an obligation of the Federal Government. We have been through that. We have been through that program.

I happen to have been in agriculture almost all my life. My first job when I got out of the Marine Corps was with the Farm Bureau. I worked with the Farm Bureau for a very long time at the local level, the American Farm Bureau.

I just came back from my home college, the University of Wyoming, where we had Agriculture Appreciation Weekend this weekend. This is an area about which I feel very strongly. I hope that we make some moves before we leave, as the Senator from Iowa said. We should do that.

We have begun. We started a number of things that need to be continued now. We need to do more short-term things that will have impact this year, but also the long-term kinds of changes that allow this transition to take place, that allow farmers to produce for the market, that allow consumers to have a choice as to what it is they buy, that farmers are not dependent upon the Federal Government pay-

check but indeed produce the kinds of things in the market, that we can increase these markets. We have the most efficient agriculture in the world, and there is a great deal of market available there as the world changes.

Let me say, again, that there is no question, I do not think among all of us, there needs to be something done. The real question is, What do we do? It is a philosophical question to a large extent, not whether you help but how in fact you do it, how in fact that help will impact over a period of time as we make the transition to a marketplace.

Madam President, I hope that we continue to talk about this. And I am sure we will.

Mr. FAIRCLOTH. Mr. President, I rise to address the farm crisis, and it is indeed a farm crisis. Prices are at historic lows for many commodities. That fact has received much of the attention.

Well, in North Carolina, that is just a part of the problem. My tobacco farmers also faced a direct attack on our billion-dollar tobacco crop from the White House. Further, my tobacco farmers were hit with a 17% quota cut last year, so they're facing dire times.

The Daschle amendment is not the answer for them. Really, it is not the answer for most farmers, it just doesn't address the root issues. It will not help in the short term. It will not help in the long term.

The Daschle amendment ignores the tobacco farmers. North Carolina tobacco farmers face the effects of drought—and hurricanes—but this amendment fails to address their problems. In fact, it's just not geared for the Southeastern farmers, but for the Midwest and West.

My tobacco farmers can't boost their exports to relieve their crisis not because there is no foreign market, but because it is government policy to prohibit efforts to help them build export markets. All the other commodities are on the table at the trade negotiations, but it is official policy to ignore tens of thousands of tobacco farmers. That is wrong.

We need a farm assistance plan that includes all farmers and that does not ignore North Carolinians.

I suggest the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Madam President, I rise to oppose the amendment offered by the distinguished ranking member of the Agriculture Committee. I appreciate his sincerity, scholarship, research, and his passion, but the solution that he offers, in my judgment, is the wrong one.

Republicans and Democrats are concerned about the financial stress in the farm sector. It is substantial. We have

worked together on many initiatives aimed at strengthening the long-run health of our farm and ranch economy. There is, unfortunately, no single magic bullet that will make all of our farmers prosperous. But several constructive steps have been taken. I will explain later why raising loan rate caps would be unwise, but first it is appropriate to mention a few of the constructive steps that farm organizations have suggested would help American agriculture.

Nearly all farm groups strongly support giving the President fast-track negotiating authority. The Senate Finance Committee has reported, in fact, a comprehensive trade bill containing a renewal of fast track. The majority leader, Senator LOTT, intends that the Senate act upon that bill in this session. Our House colleagues have also pledged to act on fast-track legislation.

Madam President, I start with that point because, very clearly, we must give the President fast-track authority. By that I mean the ability to submit to the Senate, on an up-or-down basis, a trade treaty negotiated with others, and in the case of the World Trade Organization negotiations next year, over 100 countries. If there is not the ability to deal with that legislation or that treaty on an up-or-down basis—and the normal course of the Senate would be to offer amendments—then other nations will feel free to offer amendments and the negotiations will founder.

Madam President, I mention fast-track authority, and so do most farm groups, first because the export side of our farm business is the growth side. As a matter of fact, in recent years most Americans must realize that about a third of all we produce on our farms has been exported. That is a very large part of demand.

The current crisis on the farm is of two origins. One is bad weather in some sections of our country and, in some cases, bad weather for several years running. As we have heard testimony from the distinguished Senators from South Dakota and North Dakota, parts of their States have reported conditions impossible for 4 years to get a crop. We have noticed very considerable drought this year in Texas, in Oklahoma, and in Georgia. And the Senate has acted appropriately.

When the appropriations bill came before the Senate, the agriculture appropriations bill—and it was managed very adroitly by the distinguished Senator from Mississippi, Senator COCHRAN—\$500 million of so-called indemnity payments were set aside, and that amount of money is in a conference between the House and the Senate now. The thrust of the indemnity payments was to recognize that although we are inexact in knowing exactly what damages should be assessed, there has been a great deal of pain and a formula must be worked out. That would be helpful to those farmers in those States and

those regions that have had extraordinarily bad luck from the weather.

Farming is always a situation of potential bad luck from the weather. No farm in this country is immune from those natural difficulties. That is a part of the excitement, risk, and the reward situation. Nevertheless, the Senate reacted appropriately, in my judgment, and now in conference a discussion about a half billion dollars of indemnity payments is proceeding.

The other reason that a farm crisis has occurred is that the Malaysian economy, the Thai economy, the South Korean economy, and the Indonesian economy all went into disastrous tailspins for a variety of reasons. But whatever may have been the reasons, agricultural demand coming from our Asian customers stopped cold. Our best estimates are that about one-third of our exports to Asia, which we would have counted on this year—there is a very strong trend showing year by year gains, and as Asian citizens have had more income and have tried to upgrade their diets, they have become very good customers of farmers in this country.

In any event, about a third of that demand is gone, and a third of all of our exports were headed to Asia. That means that roughly 10 percent of the entire demand for agricultural products in this country has vanished—vanished literally overnight. That has had a devastating impact, obviously, when demand heads into the tank at a time in which supply is huge. The supply of our corn crop, for example, is now going to be perhaps the second largest crop in the history of the country, and the soybean crop is the largest ever. Wheat farmers have already been heard from, and their pain has been felt. That registers both in the indemnity payment situation as well as a number of steps that the Senate and House have taken, including, as you will recall, an extraordinary debate on the Glenn amendment on Pakistan and India. The Glenn amendment required sanctions on both of those countries after they both tested nuclear weapons. But the Senate and the House voted rapidly to exempt Pakistan from that situation with regard to wheat so that an auction going on in Pakistan could continue, and, as a matter of fact, Pakistan bought, apparently, about 100 thousand metric tons bushels of wheat from the United States due to that extraordinary action. We had been conscious of the lack of demand for wheat and we are conscious of that lack of demand for corn and for soybeans.

As the distinguished Senator from Wyoming who preceded me on the floor pointed out, American agriculture is not entirely grain. It is not entirely vegetables or fruits. It includes livestock. Of course, one of the interesting aspects of agriculture is that as we dwell upon the price of feed grains, it has the worst effect on the cost of raising cattle or raising hogs. There are many farmers who have productions

that include both livestock and grain. Many do so deliberately so that they have hedges either way.

But, in any event, in the totality of American agriculture, the important point this year is weather and Asia. Worse still is that the Asian situation was not contained there. The Asian problems may have been precipitated or extended by the fact that the world appears to be in the throes of a deflationary spiral, not only for agricultural commodities, but also for metals, minerals and for oil. All of these situations have been in what could be called a deflationary mode. The world has not seen this type of phenomenon for a half a century.

It is not clear who the winners and losers are from deflation. There are many of us anecdotically going to a filling station to fill up a tank who rejoice in the fact that sometimes you can buy a gallon of gasoline for less than \$1 these days. There is not a great hue and cry on the part of the public to raise the price of gasoline to \$1.20 or \$1.50. As a matter of fact, we pocket the change without commenting and are simply pleased that some nice things come along in life unexpectedly.

But, if you were in fact a Nigerian, a Venezuelan, or even a Russian, and you saw that a large portion of the income of your country comes from oil and that income has gone down precipitously, or if you were any country in the world that gained most of its hard currency and export from mineral extraction, you would find a first-class recession on your hands. That has compounded the problem, obviously, for many of the Asian countries, as well as the increasing number of difficulties in our own hemisphere. It is not clear, Madam President, where the fallout will end with regard to so-called developing countries and others that have currency crises. But each of these weaken export demand from the United States for agricultural products and increasingly for other manufactured products as well. We need to recognize that.

There are speeches every year about shortfalls in prices. Some of these shortfalls occur every year as we approach our harvest and the market tries to sort out where the lows are going to be and a certain amount of speculation occurs. This time the real fear is that, given the harvest woes, the bounce back may not be very substantial if there is not somewhere the prospect that we are going to have sales.

I noted in the Wall Street Journal last Friday, at least that day—corn went down and beans went down. The problem pointed to by traders was that the export markets still looked weak. The article commented that wheat prospects looked somewhat better in the export markets—but not for corn and not for beans. That is a problem with which we are going to have to deal. That is why, Madam President, I pointed out that in the World Trade

Organization meeting next year we must have fast-track authority. It is essential if we are to expand substantially our export markets, which we must do if demand is to increase and if prices are to go up.

Let me point out that farm groups also strongly support International Monetary Fund funding and reform. They know that we have to deal with the Asian demand, the potential for declining demand in Latin America, and restoring IMF funding.

Madam President, the debates upon IMF have been hot and heavy on this floor, and in the committees. That has been true in the other body. Clearly, a number of Senators pointed out that the IMF may not have given the best prescriptions for a healthy return in Malaysia, Thailand, Indonesia, and Korea; that the IMF is far too opaque in terms of its deals; needs to be less secretive; that in fact prescriptions of raising taxes and lowering spending do not always work in economies and may not have been a realistic solution for Russia during the several times IMF money was given to that country. So, as a result, the Congress has not decided yet IMF funding. But, as I have pointed out, it is a very crucial situation. As a matter of fact, it is essential that we act in that area as well as the fast-track authority—two votes which leadership has promised.

Agricultural groups want to maintain the viability of crop insurance and to improve it. In the debate today, considerable attention has been given to one of the failings of crop insurance. This failing is that should crop failure occur for several years, the producer's acreage production history falls, and his insurance premiums increase. We will have to reform crop insurance. But I would simply point out that there are a good number of debates, depending upon the standpoint of the observers, as to how that is to be done.

For example, should there be a national premium for all farmers in all States and all locations regardless of risk that might be involved? Or should there be a premium based upon risk; upon the actuarial figures that show the history of a particular region or a particular crop? What should be the exposure of the taxpayers to the support of the insurance companies? We will need to face those problems of multicrop failures and actuarial soundness.

There is currently a subsidy to the companies so that crop insurance will be provided universally, and, yet, there will be debates among Senators who are not in the agriculture business as to why this particular type of insurance is subsidized. But this year the Senate and the House—and the President by signing legislation as an amendment to the agricultural research bill—went a long way to stabilizing the situation for the next 5 years so that farmers would have a pretty good idea of the lay of the land, and so would the insurance providers. That was critically important.

Madam President, part of our debate today on how agriculture is to be strengthened in the country was addressed in legislation that the Senate and the House passed and the President signed. We went a long way in the same legislation by providing specifically for agricultural research of all sorts, including pure research on those breakthroughs that we need to have if American agriculture is to be the most efficient, to be the lowest cost, and to be in a position to feed the world.

I look forward in the Agriculture Committee to substantial hearings and efforts by all parties as we progress into the next session. But for now, we have most farmers in this country covered with some degree of crop insurance. The amount of coverage was the choice of the farmer. I would say from my own experience that I had to make choices with regard to coverage of my corn and soybean crops this year. I could take a chance by having no insurance. That really has been my policy for decades. Or I could assume that perhaps El Nino would not work out so well, or El Nino would come behind it, or there would be other difficulties. I had better be prudent, be certain that I cover certain acres, and guarantee a certain price or outcome. Premiums differ according to the amount of risk that is acceptable. That is what most prudent business people do, in agriculture, outside of agriculture, anywhere.

Madam President, a number of farmers in the country apparently were not prudent and did not purchase adequate crop insurance coverage. Maybe they did not adequately understand the program, which means we have a large education job to do. But in any event, crop insurance reform is of the essence. That ought to be a part of our agenda. We have acted to mitigate the effects of economic sanctions on agriculture.

Madam President, I wish that the Senate had passed the sanction reform legislation, S. 1413, which I offered as an amendment to the agriculture appropriations bill. I believe that would have been a very constructive and hopeful step not only for agriculture but for all of American exporters. I have suggested in that legislation—which is still alive and hopefully will be reconsidered this year or next year—that there ought to be a systematic way in which our country considers economic sanctions. The President or the Congress ought to state what we are attempting to achieve, what the benchmarks will be for success, and what the costs will be of the sanctions to Americans and to American businesses, in terms of their effect on incomes and jobs. Finally, we ought to review sanctions each year. After 2 years they ought to be sunsetted unless the President or Congress specifically decides that a particular sanction is making a difference in our foreign policy.

I proposed this prospectively—that is, for the future—as opposed to revis-

iting the sanctions of the past, although many Senators have offered bills that touch upon the past or offered sanction waivers to the President. Unhappily, my bill got caught up, in a way, in the problems we have had during the appropriations season. There is not much time and there is much work to do.

But in any event, others have proposed sanction reform legislation. I have supported a number of those attempts because they take away roadblocks to exporting, and exporting addresses demand and increases price. Those who have talked eloquently today about price and income need to talk about exports, fast-track authority, and sanctions reform as opposed to policy options to store and overhang supplies for the future.

Let me point out, Madam President, that with regard to food there is a special case to be made against sanctions. I have supported such legislation, and I have supported the thought that we ought not to have economic sanctions on food, and that it is an inhumane policy. It is not an effective policy with regard to our foreign policy, and resolving sanctions on food would be of great help to American agriculture and American farmers.

We acted with corresponding dispatch in this body, as we did on the wheat sales to Pakistan, by speeding up the 1999 AMTA payments, the Freedom to Farm payments to farmers. This is a very large sum of cash. AMTA payments are made twice. The final 1998 payment for farmers will be made before the end of the fiscal year.

But we suggested that beginning October 1, 1999, farmers all over America who need increased cash flow—and we have heard much discussion of that today—could apply for the total AMTA payment for fiscal year 1999. Whether due to an emergency because of weather or because of the catastrophe in Asia, the cash flow could occur without taking out a loan; it is simply cash that the farmer in the program was guaranteed in the farm bill:

But in any event, we decided to make that whole sum of about \$5.5 billion available, and available promptly, as soon after October 1 as the U.S. Department of Agriculture could work out the administrative details, possibly by October 15.

This, I think, is an important point about the current farm bill. It has been suggested—I hope facetiously—by some today that it was the “Freedom to Fail” bill as opposed to Freedom to Farm, but most people would say when it comes to the AMTA payments, they like it. They like the thought that for 7 years, if you are in the program, you get a payment, divorced entirely from supply and demand, from the Asian economic crisis, from anything else as a matter of fact. It is a so-called transition from the farm bills of supply control of the past to the market-oriented programs that we have now.

Let me just say finally that the Senate, while approving \$500 million in disaster aid as a placeholder for conference, it was understood that there

may be additional monetary demands placed on the conference. I am not advocating that the sum be increased, but I am acknowledging that Senators from around the country have realized there has been further crop losses and plummeting prices. This legislation that is going to pass as a conference report, and hopefully will be signed by the President.

Let me point out, Madam President, that in addition to these very substantial ways of bringing money to farmers and new and enhanced demand, many of us have supported Senator GRASSLEY's farm and ranch risk management proposal and we will work diligently to encourage its inclusion in any new tax legislation this year.

I was very pleased to note in the Wall Street Journal today that Congressman ARCHER, the distinguished chairman of the House Ways and Means Committee, as he initiates \$80 billion of tax cuts, has created an accelerated estate tax exclusion. The \$1 million exclusion would commence January 1, 1999.

In the hearings we have had before the Senate Ag Committee, there have been two items that real live farmers said we need, we want. One is estate tax relief because it means the family farm really does have some possibility of remaining a family farm as opposed to confiscatory taxes intruding into an estate which is very heavy in real estate, land, livestock, buildings, and often very low in cash. So this is a critical item if you are a family farmer, and I am. This is critical, at least as I take a look at it, from the perspective of all the people I know in Indiana who are involved in family farming. This is real change in the economic aspects for this year and for many years for the continuity of farm life as we know it. So that is an important item.

The second thing people came in to say is, year by year, the most important thing you could do for us is to give us 100 percent deductibility of our health payments. For the average family farmer farming, say, 500 acres or so in Indiana, that often is an additional \$4,000 or \$5,000 added to the bottom line. That is a big piece of change.

The price effects changes that would come from removing the cap on the loan rate amount to about a 15-cent change, a 15-cent change in the price of a bushel of corn. It takes a lot of additional bushels to add up to \$5,000 in the bottom line. A learned study just performed by the Food Agriculture and Policy Research Institute, and commissioned by the distinguished ranking member, Senator HARKIN, determined this.

Congressman ARCHER is proposing in this bill that we go to 100-percent exemption promptly. That would be true for all Americans, and that is true of the estate tax situation. These are not proposals that are made specifically for farmers.

I make that point because, although, quite properly, we are concerned with agricultural America, Senators have other people in their States in addition

to farmers. In fact, some States hardly have very many farmers at all. What we are talking about, for example, in raising the loan caps is what the Congressional Budget Office now has estimated as a \$5 billion new expenditure. That means that \$5 billion would go from all the other taxpayers of the United States to some specific taxpayers who are essentially grain farmers. Few Americans may understand that transaction, that we have today been debating whether to give up \$5 billion to grain farmers. But that is a huge transfer of income to a small group.

What I think is more constructive is a proposal such as that of the distinguished chairman of the House Ways and Means Committee in which he said estate taxes apply to all, including farmers. Farmers are 16 times more likely to pay estate taxes, for example, than other people. But this legislation is not limited to farmers or grain farmers. It is for all of us, and is true of the deductibility of those who pay their medical payments as individual persons.

I think it is, likewise, important to point out that Congressman ARCHER was quite specific on one of his proposals. He suggested that a provision retroactive to January 1, 1998—that is the beginning of this year—would expand to 5 years from 2, the number of tax years farmers can carry back losses.

That would be very helpful. A number of us have been talking about income averaging. This really goes at it aggressively, a carry back to 5 years. The Outlook, the publication of the USDA, points out that the last 5 years have been pretty good ones for agricultural America. This year is a downer with the weather and the Asia problems, but this has not always been the case. I can testify from my own farm that the last 5 years have been very, very healthy years. And farmers all over America have repaid debt. And businesses that thrive at the crossroads have thrived with that type of farm income.

Let me point out the FAIR Act, the Freedom to Farm Act, did not abolish price support loans. I think that is important to point out. In fairness, several Senators have pointed that out. They have said that there is a marketing loan in the farm bill. They disagree with the rate of that loan, or the price that is to be allowed—\$1.89 for corn, for example, and would like for that to be over \$2.20.

But let me just take an example, once again, from my own operations. I ask the patience of the Senate with regard to that because I do not believe there are many Senators here today who are in farming. There may be a few. I know the distinguished Senator from Iowa, Senator GRASSLEY, has long been involved with his family farm that I visited in Iowa. But there are not many. I am one of them, and today, Providence willing, soybeans will be shipped from harvest on my farm into the local elevator in Indianapolis. We

will receive the marketing assistance loan at the rate of \$5.26, which is being quoted today.

I sold beans at an average pretty close to \$6.75 to \$6.80 over the last year. So \$5.26 is well off of that. One could say it is 20 percent, maybe more, maybe less. But I am happy to report that the yield per acre on the Lugar farm on beans looks to me to be way up. I think that is probably important, too. As a matter of fact, the cost per bushel will be down if the number of beans coming up is up.

We have heard suggestions today that you have almost an immutable cost out there. It simply cannot be met by these loan deficiency payments or marketing assistance loans. But I point out, volume still counts. And volume we have this year—a record soybean crop in America. Not just on our farm, that specific location, but all over America; unparalleled number of bushels of beans, maybe only the second in history in terms of corn.

So before all the dire predictions are visited, one has to take a look at some actual situations, some actual farmers who have some beans and have some corn. I point out the Freedom to Farm Act has not gotten into the loan deficiency payment until this year, and it is because low prices have kicked it in. But it would appear that this is going to be an additional \$2 or \$3 billion for grain farmers this year.

I pointed out earlier that over \$5 billion is kicking in early in the AMTA payments for cash flow purposes, an additional \$2 or \$3 billion in this LDP program, and at least \$500 million in an indemnity payment in regard to the weather. The taxpayers of this country have not been grudging when it has come to trying to meet agricultural pain and difficulty this year. As a matter of fact they have been very generous. And farmers are saying we do not really want charity, we want sales, we want marketing, we want exports. Give us at least those tools in fast-track authority in the IMF, in various other facilities. Give us taxation changes so as individuals who have to pay our own health insurance, we get the benefit of the deduction which in some strange way has been denied us. That is not the case in the industrial sector. Give us tax relief in terms of carry-back provisions so we can average out over the good years, and save the taxes. Give us estate tax relief.

Let me just point out, we are not going to see, in my judgment, an end to the Asian crisis, the Russian crisis, or others, overnight. But we can exacerbate the problem inadvertently by doing the wrong thing. Higher loan rates have instant appeal—and I think that is obvious from the argumentation given here earlier today. But history shows they have long-term effects that are undesirable. A higher loan rate inevitably stimulates more production than the market can absorb.

That is a very big point, Madam President, because, as a matter of fact, lower prices currently are very likely to send exactly different signals; namely, do not plant as much of those things in which you do not do well. There will be marginal changes. There are some farm operations geared up to plant a particular crop every year come hell or high water. There is no need for market signals, that is what the farm does. The question is, Can you lower costs so that you become profitable and efficient over the years? Most farmers have lowered costs. That is why we are the lowest cost producers in the world and why we are bound to be good when we export.

But at the same time, the higher loan rate, by stimulating more production, will lead to a surplus and, thus, lower prices in the future, not higher prices. This amendment is clearly a short-term stimulus. If the projections of a \$5 billion cost for taking off the loan cap is correct, \$5 billion is going fairly immediately from some taxpayers in America to grain farmers, essentially. That will increase the income but, Madam President, the following year, the income comes down.

Let me point out that a study that was completed for my distinguished colleague, Senator HARKIN, points this out. Senator HARKIN approached well-known researchers at the Food and Agricultural Policy Research Institute. They pointed out, as we might anticipate, that if, in fact, the amendment before us were to be adopted, the average price of corn for the current year, 1998–1999, would increase 10 cents a bushel. That would be the average increase for that corn this year—10 cents. Wheat prices would increase 15 cents and soybean prices 6 cents.

But, unfortunately, they point out that the aftermath also indicates that in the following year, prices go down. Corn prices go down by 6 cents and wheat prices go down by 10 cents below the baseline. Soybean prices, would be relatively flat, they say. Essentially, they evaluate the immediate income surge at about \$4.56 billion, pretty close to the \$5 billion estimated by CBO.

They point out the obvious: if you have \$5 billion injected into this situation averaged over 2 or 3 years, you still have more money than you had when the \$5 billion went in. But they point out that absent a constant stream of this kind of activity—that is unleashing the caps, with continual injections of cash—that prices come down and so does overall income.

(Mr. ROBERTS assumed the Chair.)

Mr. LUGAR. That, Mr. President, is the basic problem with the amendment that has been offered by the distinguished Senator from Iowa. I simply point out that the basic and largest farm organizations in America have spotted this and they wrote to me on September 11. The organizations that have written and signed this letter are: American Farm Bureau Federation,

American Sheep Industry Association, National Broiler Council, National Cattlemen's Beef Association, National Pork Producers Council and the National Turkey Federation—very sizable groups, covering general agriculture, as well as specific livestock and poultry situations.

They say:

Dear Chairman LUGAR: As the largest market for feed grains and soybean meal, the livestock and poultry producers are concerned over the debate to change the farm program's non-recourse loan rate structure. While we empathize with the market situation faced by feed grain farmers, we urge you to consider the very serious potential impact that changes in loan rates could have on all users of feed grains. With the export market being so vitally important to American agriculture, it is necessary to ensure that changes in government policy not put animal agriculture at a competitive disadvantage.

Historically, non-recourse loan rates that do not reflect market conditions have proven to affect producers' marketing decisions, which in turn have led to government surpluses that negatively pressure market price recovery. At a time when all of agriculture is facing depressed marketing conditions and export losses, we respectfully request that the Committee examine alternative policy initiatives to address low price conditions and help restore profitability to farmers and livestock and poultry producers.

I make that letter available, Mr. President, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 11, 1998.

HON. RICHARD LUGAR,  
*Chairman, Senate Committee on Agriculture,  
Nutrition and Forestry, Senate Russell 328,  
Washington, DC.*

DEAR CHAIRMAN LUGAR: As the largest market for feed grains and soybean meal, the livestock and poultry producers are concerned over the debate to change the farm program's non-recourse loan rate structure. While we empathize with the market situation faced by feed grain farmers, we urge you to consider the very serious potential impact that changes in loan rates could have on all users of feed grains. With the export market being so vitally important to American agriculture, it is necessary to ensure that changes in government policy not put animal agriculture at a competitive disadvantage.

Historically, non-recourse loan rates that do not reflect market conditions have proven to affect producers' marketing decisions, which in turn have led to government surpluses that negatively pressure market price recovery. At a time when all of agriculture is facing depressed marketing conditions and export losses, we respectfully request that the Committee examine alternative policy initiatives to address low price conditions and help restore profitability to farmers and livestock and poultry producers.

We would urge that any resources that become available to help improve agriculture's bottom line should focus on providing assistance for weather-related disasters, addressing domestic and international marketing problems, providing income and trade assistance to address the loss of exports and providing additional tax relief for farmers, ranchers and livestock producers.

Thank you for your consideration of our concerns. We look forward to working with you and the Committee on these matters.

Sincerely,

American Farm Bureau Federation.  
American Sheep Industry Association.  
National Broiler Council.  
National Cattlemen's Beef Association.  
National Pork Producers Council.  
National Turkey Federation.

Mr. LUGAR. Mr. President, these agencies, including the American Farm Bureau and the sheep, broiler, beef and pork producers have made the essential point with regard to the removing of the cap on the marketing loans. Inevitably, the signals go out and the supplies increase. Even under the marketing loan concept, in which it is unlikely that there will be the buildup of forfeitures and the buildup of governmental storage that characterized previous situations, there still is a glut on the market. The surplus does not disappear.

Price signals were out there for a purpose. They indicated who wanted to utilize the commodity, who could utilize the commodity. Tragically, in this country, we are utilizing commodities about as well as we are going to. The up-side potential that we talked about today on the export side is the difference. That is where the thrust has to occur. To have a domestic transfer of income simply hides the problem; it doesn't market the commodities. The costs do not decrease for farmers in the field, although much that we have done this year in terms of our research bill might assist people in bringing about lower costs.

I commend all of my colleagues who have spoken to this issue today for their concern. They have spoken with sincerity. They are advocates of producers in their States and of American agriculture generally. Many are Members of the Senate Committee on Agriculture and participate regularly in trying to think along with the majority and minority how we can deal with these problems.

But, Mr. President, we have debated, as was pointed out earlier by various Senators, this issue on at least a couple of occasions. On one occasion, the distinguished Senator from Montana, who is on the floor now, discussed a lengthening of payment of the loan rate. He did not press for a vote on that occasion. But then on the appropriations bill, an amendment was offered by the distinguished minority leader of the Senate, Senator DASCHLE, that had very similar characteristics with regard to the caps on the loan rate. The Senate voted 56 to 43 after extensive debate that took, as I recall, the better part of 4 hours on that occasion.

We have revisited the issue for another 4 hours this afternoon, and it is probably worthy of considerably more attention. I suspect the problem is that the Senate is also attempting to deal with the Interior appropriations bill in addition to problems of agriculture.

It will not be a good idea to adopt this amendment. I have listened carefully to others who have spoken. But

we ought to defeat this amendment. Therefore, Mr. President, I commend my colleagues for their sincerity, but after a consultation with and on behalf of the majority leader I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

Mr. LUGAR. The vote, I understand, Mr. President, will occur after the first vote that is now set for 5:30; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LUGAR. I thank the Chair.

#### TRUTH IN EMPLOYMENT ACT

The PRESIDING OFFICER. Under the previous order, the hour of 5 p.m. having arrived, there will now be 30 minutes for debate equally divided in relation to S. 1981. The Senators from Arkansas and Massachusetts control the time.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Arkansas is recognized.

Mr. HUTCHINSON. Thank you, Mr. President.

I think we have before us a bill that is very important and well worth the time that we have taken debating it on the floor of the Senate today. This bill deals with the unconscionable practice of some labor unions today to send paid salts or unpaid salts into a business under the guise of working for that employer but when the real intent is to wreak economic damage and ultimately bring a business and employer to his or her knees.

Salting is the calculated practice of placing trained union agents in a non-union workplace whose primary purpose is to harass, disrupt company operations, apply economic pressure, increase operating and legal costs, and ultimately put the company out of business.

Mr. President, the Truth in Employment Act simply inserts a provision in the NLRA freeing an employer from the requirement of employing "... any person who is not a bona fide employee applicant, in that such person seeks or has sought employment with the employer with the primary purpose of furthering another employment or agency status." In other words, an employer is not required to hire an employee whose primary—primary purpose—I emphasize, whose primary purpose in applying for a job is not to work and benefit the company.

Participation in union activities or an in-house employee organizing committee would not constitute employment or agency status. It simply allows employers to not hire overt salts and to give employers recourse against covert salts—those who would come in surreptitiously.

The bill also specifically protects the rights of bona fide employees to self-organization, labor organization membership, and collective bargaining.

Let me just take a moment to emphasize what this bill will not do, because it has been so grossly mischaracterized by those who want to see this practice continue in the American workplace.

No. 1, it does not undermine legitimate rights or protections. Employers will gain no ability to discriminate against union membership and activities or activities, or activities in other organizations. It only seeks to stop the destructive practice of salting; that is all.

No. 2, it does not prevent union organizing or other types of organizing, such as women advocacy groups or a day-care program in the workplace. It does not prevent women and minorities from advocating their rights. It does not change the definition of "an employee" and what an employee is.

It does not overturn the decisions of the Supreme Court. It does not overturn the decision of Town & Country Electric, Inc., which stated that paid union organizers can fall within the literal, statutory definition of "employees."

It does not create a system of blacklists. And it does not promote mind reading or mind control, as some of my colleagues would suggest.

Salting is not a product of my imagination, it is a very great reality in the workplace today.

Jack Allen, previously of Thomasville, GA, provided an account of his experiences to Representative ALLEN BOYD of Florida, where he currently is employed. Allen Electric was founded by his father in 1947. He eventually took over the company.

Mr. Allen's family-owned business, passed down from his father, eventually sank under the heavy financial weight of legal expenses—expenses incurred because he tried to defend himself against fraudulent discrimination charges by union salts.

Mr. President, this legislation will prevent others from suffering the injuries that Mr. Allen suffered—the loss of his family company, the loss of all his hard work, the loss of his reputation.

I think it is wrong for us, under current law, to compel employers to hire someone who comes into the workplace with the goal of disrupting, destroying, and eventually bankrupting their employer. That is wrong. This is a modest piece of legislation that takes a small step in restoring balance and fairness in employee-employer relations. I ask my colleagues to support this motion to invoke cloture.

I reserve the remainder of my time and yield the floor.

Several Senators addressed the Chair.

Mr. KENNEDY. I yield my colleague 7 minutes.

Mr. WELLSTONE. I thank my colleague.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I say to my good friend—he is a good friend—Senator HUTCHINSON, I have looked through the language, and under the section dealing with protection of employer rights—maybe there should be another time my colleague should bring this bill to the floor because this bill, in its present form, would allow an employer not to hire someone who might simply have an interest in joining a union. It is that ambiguous.

I say to my colleague that while this isn't his intention, it sort of reminds me—you cannot have such broad language. It is sort of like the days a long time ago—it is not the intention of my colleague from Arkansas; and I think my colleague from Massachusetts would appreciate this—where the Irish had a hard time getting jobs because people assumed, "They might very well come in there and organize a union." We cannot go back to those days.

Or as I look at this piece of legislation, you have a situation where maybe an employer would not hire a minority for fear that that minority, based upon her past experience, might come into the workplace and say to other people, "Listen. We're not getting a fair shake." Or the same thing can hold true with someone who has been active in the National Organization for Women, and the argument might be, "We don't want to hire such a person because, again, they might engage in the kind of activity that we would prohibit."

Or you might get into a situation where you do not want to hire someone—I think we have had that discussion before—who might come in and, because of her background—she is an activist—"My gosh, she might come in and start organizing with other women and say, 'You know what? We ought to be going to our employer and saying this ought to be a more family-friendly workplace. We need good child care here.'"

This is a piece of legislation which is so broad in its application and so ambiguous, I say to my friend from Arkansas, that this is an enormous step backward.

I only have a few minutes, and if I get more time we can go to debate, but I just want to simply say that I think the direction we ought to go in—because the truth about this Truth in Employment Act is that it just takes us back decades. It is unacceptable.

I have a piece of legislation that I have introduced called the Fair Labor Organizing Act. Let us talk about, What is the truth when it comes to the imbalance of power between employers and employees right now? If there is going to be a focus on how parents or a parent can do their best by their kids—in which case, they do their best by our country—then part of the focus is going to be on living-wage jobs. That speaks to the right of people to organize and bargain collectively, to earn a